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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

2011

Open to Public Inspection

A For the 2011 calendar year, or tax year beginning 10-01-2011 and ending 09-30-2012

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

C Name of organization
SOUTHWESTERN VERMONT MEDICAL CENTER

Doing Business As

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

City or town, state or country, and ZIP + 4
BENNINGTON, VT 05201

D Employer identification number
22-2563241

E Telephone number
(802)447-5011

G Gross receipts $ 146,688,980

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

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: ▶ www svhealthcare org

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1912 | **M** State of legal domicile VT

Part I Summary

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

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	16
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	13
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	**5**	1,211
6	Total number of volunteers (estimate if necessary)	**6**	255
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	0
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	0

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	240,116	161,936
9	Program service revenue (Part VIII, line 2g)	138,828,967	145,995,179
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	244,273	173,424
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	33,542	33,175
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	139,346,898	146,363,714
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	11,555
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)	71,920,037	71,167,576
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	57,662,834	70,217,835
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	129,582,871	141,396,966
19	Revenue less expenses Subtract line 18 from line 12	9,764,027	4,966,748

Revenue

Expenses

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	60,564,737	57,905,136
21	Total liabilities (Part X, line 26)	41,242,843	49,314,918
22	Net assets or fund balances Subtract line 21 from line 20	19,321,894	8,590,218

Net Assets or Fund Balances

Part II Signature Block

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

Sign Here

****** | 2013-05-04
Signature of officer | Date

WAYNE KACHMAR BOARD CHAIR
Type or print name and title

Paid Preparer's Use Only

Preparer's signature: Brian D Todd | Date | Check if self-employed ☐ | Preparer's taxpayer identification number (see instructions)

Firm's name (or yours if self-employed), address, and ZIP + 4: BKD LLP
910 E ST LOUIS 200/PO BOX 1190
SPRINGFIELD, MO 658062523

EIN ▶

Phone no ▶ (417) 865-8701

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

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

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

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

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☑ No

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations 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 $ 96,101,115 including grants of $ 11,555) (Revenue $ 119,121,439)

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

4b (Code) (Expenses $ 26,434,226 including grants of $) (Revenue $ 23,441,472)

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

4c (Code) (Expenses $ 4,151,983 including grants of $) (Revenue $ 3,432,268)

SOUTHWESTERN VERMONT MEDICAL CENTER PROVIDES VISITING NURSE HOME HEALTH AND HOSPICE SERVICES TO THE BENNINGTON AREA WHICH INCLUDE ROUTINE HOME CARE, WOUND CARE, REHABILITATION SERVICES, INFUSION SERVICES, MOTHER AND CHILD CARE, AND HOSPICE CARE FOR TERMINALLY ILL PATIENTS

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses** ▶ $ 126,687,324

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 instructions)?	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		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		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 temporarily restricted endowments, permanent endowments, 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, line10? *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		No
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, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Part I*	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, Part 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, Part 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*	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.** All Form 990 filers that operated one or more hospitals must attach audited financial statements	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? *If "Yes," complete Schedule I, Parts I and II*	**21**	Yes	
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? *If "Yes," complete Schedule I, Parts I and III*	**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? *If "Yes," complete Schedule J*	**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? *If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to line 25*	**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? *If "Yes," complete Schedule L, Part 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? *If "Yes," complete Schedule L, Part 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? *If "Yes," complete Schedule L, Part II*	**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? *If "Yes," complete Schedule L, Part III*	**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? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
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 owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		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? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**	Yes	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	**35a**		No
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**		No
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		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? *If "Yes," complete Schedule R, Part VI*	**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**	158		
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, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	**2a**	1,211		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			**2b**	Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)					
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			**3a**		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 or securities 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.** All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state			**13a**		
b	Enter the aggregate 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 aggregate 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	16		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	13		
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	Yes	
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	Did the organization have members or stockholders?		6	Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		7a	Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		7b	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	Did the organization have local chapters, branches, or affiliates?	10a		No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review the Form 990			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	Yes	
b	Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	Yes	
13	Did the organization have a written whistleblower policy?	13	Yes	
14	Did 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," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed ▶

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you made 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 made 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 ▶

STEPHEN MAJETICH
100 HOSPITAL DRIVE
BENNINGTON,VT 05201
(802)447-5011

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

Check if Schedule O contains a response 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, or 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 organizations compensated any current or former officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) DONALD ALBANO TRUSTEE	1 0	X						0	0	0
(2) MICHAEL E BRADY DDS CHAIR	1 0	X		X				0	0	0
(3) SEAN L CASEY SECRETARY	1 0	X		X				0	0	0
(4) LODIE COLVIN TRUSTEE	1 0	X						0	0	0
(5) TOMMY A HARMON JR TRUSTEE, ENDING 9/12	1 0	X						0	0	0
(6) TIMOTHY T HOLBROOK TRUSTEE	1 0	X						0	0	0
(7) WAYNE M KACHMAR VICE CHAIR	1 0	X		X				0	0	0
(8) HOWARD MCNALLY TRUSTEE, ENDING 1/12	1 0	X						0	0	0
(9) WILLIAM TOCK MD PRES MED STAFF, ENDING 3/12	1 0	X						247,209	0	57,907
(10) ERIC SEYFERTH MD UHA CHAIR	1 0	X						49,565	0	0
(11) THOMAS DEE CEO	40 0	X		X				469,383	0	37,955
(12) MARK WALLACE TRUSTEE	1 0	X						0	0	0
(13) CLAIRE MURRAY RN TRUSTEE	1 0	X						0	0	0
(14) KEVIN DAILEY TRUSTEE	1 0	X						0	0	0
(15) MARNY KRAUSE TRUSTEE	1 0	X						0	0	0
(16) DAVID MEISELMAN ESQ TRUSTEE	1 0	X						0	0	0
(17) PHILIP MARTINEZ TRUSTEE	1 0	X						0	0	0

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) MAE D'AGOSTINO TRUSTEE, BEGINNING 9/12	1 0	X						0	0	0
(19) WILLIAM SARCHINO DPM PRES MED STAFF, BEGINNING 3/12	1 0	X						0	0	0
(20) STEPHEN D MAJETICH CFO	40 0			X				287,427	0	27,273
(21) MARK DONAVAN MD CMO	40 0			X				289,551	0	11,826
(22) DIANNE PROBOLA VP OF OPERATIONS	40 0				X			209,194	0	99,945
(23) BRIAN DONNELLY VP MEDICAL GROUP	40 0				X			219,241	0	24,187
(24) CAROL CONROY VP NURSING	40 0				X			211,854	0	431
(25) ORION HOWARD MD PHYSICIAN	40 0					X		448,267	0	28,029
(26) CHARLENE IVES MD PHYSICIAN	40 0					X		355,063	0	26,005
(27) CHARLES SALEM MD PHYSICIAN	40 0					X		484,467	0	15,064
(28) RONALD MENSH MD PHYSICIAN	40 0					X		418,245	0	35,581
(29) ANTHONY DONALDSON MD PHYSICIAN	40 0					X		339,137	0	35,545
(30) HARVEY YORKE FORMER CEO	40 0						X	159,987	0	83,650
1b Sub-Total . . . . . ▶										
c Total from continuation sheets to Part VII, Section A . . . . ▶										
d Total (add lines 1b and 1c) . . . . . ▶								4,188,590	0	483,398

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 95

			Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	**3**	Yes	
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	**4**	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? *If "Yes," complete Schedule J for such person*	**5**		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 Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
CROTHAL CLINICAL EQUIPMENT SRVC	BIOMED	999,333
FLETCHER ALLEN HEALTH CARE	LAB TESTING	370,637
ATLAS HLTHCARE LINEN SOLUTIONS	LAUNDRY	315,647
ANESTHES ASSOC OF BENNINGTON	PSA	329,549
HEALTHCARE FUTURES	CONSULTING	251,648

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 19

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	161,936			
	e	Government grants (contributions)	1e				
	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		161,936			
Program Service Revenue			Business Code				
	2a	NET PATIENT SERVICE REVENUE	621990	141,478,856	141,478,856		
	b	EHR REVENUE	621990	2,319,430	2,319,430		
	c	CAFETERIA INCOME	722210	831,369	831,369		
	d	PHARMACY	446110	396,658	396,658		
	e	CHILD CARE	624410	362,186	362,186		
	f	All other program service revenue		606,680	606,680		
	g	**Total.** Add lines 2a–2f		145,995,179			
	3	Investment income (including dividends, interest and other similar amounts)		192,884			192,884
	4	Income from investment of tax-exempt bond proceeds		0			
	5	Royalties		0			
			(i) Real	(ii) Personal			
	6a	Gross rents	33,175				
	b	Less rental expenses	0				
	c	Rental income or (loss)	33,175				
	d	Net rental income or (loss)		33,175			33,175
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory	227,832	77,974			
	b	Less cost or other basis and sales expenses	223,276	101,990			
	c	Gain or (loss)	4,556	-24,016			
	d	Net gain or (loss)		-19,460			-19,460
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 a					
	b	Less direct expenses b					
	c	Net income or (loss) from fundraising events		0			
	9a	Gross income from gaming activities See Part IV, line 19 a					
	b	Less direct expenses b					
	c	Net income or (loss) from gaming activities		0			
	10a	Gross sales of inventory, less returns and allowances a					
	b	Less cost of goods sold b					
	c	Net income or (loss) from sales of inventory		0			
		Miscellaneous Revenue	Business Code				
	11a						
	b						
	c						
	d	All other revenue					
	e	**Total.** Add lines 11a–11d		0			
	12	**Total revenue.** See Instructions		146,363,714	145,995,179		206,599

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)

Check if Schedule O contains a response to any question in this Part IX . . . . . ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States See Part IV, line 21	11,555	11,555		
2	Grants and other assistance to individuals in the United States See Part IV, line 22	0			
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	2,141,457	994,971	1,146,486	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	12,165	12,165		
7	Other salaries and wages	56,478,871	50,161,779	6,317,092	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	1,954,165	1,725,341	228,824	
9	Other employee benefits	6,536,739	5,775,830	760,909	
10	Payroll taxes	4,044,179	3,534,868	509,311	
11	Fees for services (non-employees)				
a	Management	0			
b	Legal	476,281		476,281	
c	Accounting	146,850		146,850	
d	Lobbying	0			
e	Professional fundraising *See Part IV, line 17* . .	0			
f	Investment management fees	24,317		24,317	
g	Other	19,122,192	16,845,843	2,276,349	
12	Advertising and promotion	353,591		353,591	
13	Office expenses	3,543,006	3,256,459	286,547	
14	Information technology	747,440	655,348	92,092	
15	Royalties . .	0			
16	Occupancy	5,011,200	4,230,684	780,516	
17	Travel	341,241	261,158	80,083	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	297,409	245,374	52,035	
20	Interest	390,095	350,653	39,442	
21	Payments to affiliates	0			0
22	Depreciation, depletion, and amortization	6,161,006	5,538,078	622,928	
23	Insurance	1,358,762	1,221,674	137,088	
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	MEDICAL SUPPLIES & DRUGS	18,680,589	18,680,589		
b	PROVIDER TAX	7,909,518	7,909,518		
c	BAD DEBT	4,873,852	4,873,852		
d	LICENSES, DUES, SUBSCRIPTIONS	774,526	398,955	375,571	
e					
f	All other expenses	5,960	2,630	3,330	
25	**Total functional expenses.** Add lines 1 through 24f	141,396,966	126,687,324	14,709,642	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) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		214,846	1	486,494
	2	Savings and temporary cash investments		11,631,733	2	9,817,136
	3	Pledges and grants receivable, net		0	3	0
	4	Accounts receivable, net		10,781,455	4	11,439,168
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		0	7	0
	8	Inventories for sale or use		2,304,326	8	2,381,673
	9	Prepaid expenses and deferred charges		2,047,577	9	1,781,231
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 103,427,444			
	b	Less accumulated depreciation	10b 78,492,785	26,785,840	10c	24,934,659
	11	Investments—publicly traded securities		3,987,125	11	4,765,706
	12	Investments—other securities See Part IV, line 11		0	12	0
	13	Investments—program-related See Part IV, line 11		0	13	0
	14	Intangible assets		0	14	0
	15	Other assets See Part IV, line 11		2,811,835	15	2,299,069
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		60,564,737	16	57,905,136
Liabilities	17	Accounts payable and accrued expenses		10,605,896	17	11,206,478
	18	Grants payable		0	18	0
	19	Deferred revenue		133,582	19	119,631
	20	Tax-exempt bond liabilities		8,571,516	20	8,396,849
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*		0	21	0
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		1,248,976	23	1,036,032
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		20,682,873	25	28,555,928
	26	**Total liabilities.** Add lines 17 through 25		41,242,843	26	49,314,918
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		19,321,894	27	8,590,218
	28	Temporarily restricted net assets		0	28	0
	29	Permanently restricted net assets		0	29	0
		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		19,321,894	33	8,590,218
	34	Total liabilities and net assets/fund balances		60,564,737	34	57,905,136

Part XI Reconcilliation 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	146,363,714
2	Total expenses (must equal Part IX, column (A), line 25)	2	141,396,966
3	Revenue less expenses Subtract line 2 from line 1	3	4,966,748
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	19,321,894
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-15,698,424
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	8,590,218

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? . .	2a		No
b	Were the organization's financial statements audited by an independent accountant?	2b	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	2c	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?	3a		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 . .	3b		

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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

2011

Open to Public Inspection

Name of the organization
SOUTHWESTERN VERMONT MEDICAL CENTER

Employer identification number
22-2563241

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

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

1 ☐ A church, convention of churches, or association of churches **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?

	Yes	No
(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? **11g(i)**		
(ii) a family member of a person described in (i) above? **11g(ii)**		
(iii) a 35% controlled entity of a person described in (i) or (ii) above? **11g(iii)**		

h Provide the following information about the supported organization(s)

(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? Yes	(iv) No	(v) Did you notify the organization in col (i) of your support? Yes	(v) No	(vi) Is the organization in col (i) organized in the U S ? Yes	(vi) No	(vii) Amount of support?
Total									

Part II **Support Schedule for Organizations Described in IRC 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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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 (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
11 **Total support** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (See instructions) **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 2011 (line 6 column (f) divided by line 11 column (f)) **14**

15 Public Support Percentage for 2010 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2011.** 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—2010.** 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—2011.** 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—2010.** 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 III **Support Schedule for Organizations Described in IRC 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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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 501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

15 Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f))	15	
16 Public support percentage from 2010 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2011** (line 10c column (f) divided by line 13 column (f))	17	
18 Investment income percentage from **2010** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2011.** 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—2010.** 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 explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

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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

2011

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, line 35c (Proxy Tax), then

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

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

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

1 Provide a description of the organization's direct and indirect political campaign activities on behalf of or in opposition to candidates for public office 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 (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)

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

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

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

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

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

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(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) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		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		29,692
j	Total lines 1c through 1i			29,692
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
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
OTHER LOBBYING ACTIVITIES	SCHEDULE C, PART II-B, LINE 1(I)	SOUTHWESTERN VERMONT MEDICAL CENTER IS A MEMBER OF THE VERMONT ASSOCIATION OF HOSPITALS AND HEALTH SYSTEMS AND THE AMERICAN HOSPITAL ASSOCIATION A PORTION OF THE DUES PAID TO THESE ORGANIZATIONS ARE AVAILABLE FOR LOBBYING EXPENDITURES ON BEHALF OF SOUTHWESTERN VERMONT MEDICAL CENTER AND THE OTHER MEMBER ORGANIZATIONS IN FURTHERANCE OF THEIR EXEMPT PURPOSE

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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, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
SOUTHWESTERN VERMONT MEDICAL CENTER

Employer identification number
22-2563241

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" 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
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06	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 ▶ $ _____

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

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ 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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		5,000		5,000
b Buildings		30,245,712	21,191,033	9,054,679
c Leasehold improvements				
d Equipment		70,162,382	54,940,009	15,222,373
e Other		3,014,350	2,361,743	652,607
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				24,934,659

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶		

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) should equal Form 990, Part X, col (B) line 13)* ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	

Part X Other Liabilities. See Form 990, Part X, line 25.

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	0
ASSET RETIREMENT OBLIGATION	1,095,600
EST AMT DUE TO THIRD PTY PYRS	1,368,072
INTEREST RATE SWAP	1,841,596
PENSION BENEFIT OBLIGATION	23,056,840
EST SELF-INSURANCE COSTS	1,173,758
OTHER LIABILITIES	20,062
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	28,555,928

2. Fin 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC740)

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)	1	146,363,714
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	141,396,966
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	4,966,748
4	Net unrealized gains (losses) on investments	4	560,072
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-16,258,496
9	Total adjustments (net) Add lines 4 - 8	9	-15,698,424
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	-10,731,676

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	125,767,121
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	560,072		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d	-21,156,665		
e	Add lines **2a** through **2d**			2e	-20,596,593
3	Subtract line **2e** from line **1**			3	146,363,714
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	146,363,714

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	136,498,797
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	136,498,797
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	24,317		
b	Other (Describe in Part XIV)	4b	4,873,852		
c	Add lines **4a** and **4b**			4c	4,898,169
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	141,396,966

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
UNCERTAIN TAX POSITIONS	SCHEDULE D, PART X, LINE 2	MANAGEMENT HAS EVALUATED THEIR INCOME TAX POSITIONS UNDER THE GUIDANCE INCLUDED IN ASC 740 BASED ON THEIR REVIEW, MANAGEMENT HAS NOT IDENTIFIED ANY MATERIAL UNCERTAIN TAX POSITIONS TO BE RECORDED OR DISCLOSED IN THE FINANCIAL STATEMENTS
OTHER RECONCILING CHANGE IN NET ASSETS	SCHEDULE D, PART XI, LINE 8	DEFINED BENEFIT PENSION COSTS $(11,107,562) NET TRANSFER TO AFFILIATES (5,030,846) CHANGE IN FV OF INTEREST RATE SWAP (120,088) ---------- TOTAL $(16,258,496)
OTHER REVENUE INCLUDED ON LINE 1, BUT NOT ON FORM 990, PART VIII, LINE 12	SCHEDULE D, PART XII, LINE 2D	DEFINED BENEFIT PENSION COSTS $(11,107,562) NET TRANSFER TO AFFILIATES (5,030,846) CHANGE IN FV OF INTEREST RATE SWAP (120,088) INVESTMENT MANAGEMENT FEES (24,317) BAD DEBT EXPENSE (4,873,852) ---------- TOTAL $(21,156,665)
OTHER EXPENSE INCLUDED ON FORM 990,PART IX, LINE 25, BUT NOT ON LINE 1	SCHEDULE D, PART XIII, LINE 4B	BAD DEBT EXPENSE $ 4,873,852

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
SOUTHWESTERN VERMONT MEDICAL CENTER

Employer identification number
22-2563241

Part I Charity Care and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a charity care policy? If "No," skip to question 6a	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization had multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals ☑ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care ☐ 100% ☐ 150% ☑ 200% ☐ Other _____ %	3a	Yes	
b	Did the organization use FPG to determine eligibility for providing *discounted* care? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☑ 400% ☐ Other _____ %	3b	Yes	
c	If the organization did 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	Did the organization's policy provide free or discounted care to the "medically indigent"?	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 charity care expenses exceed the budgeted amount?	5b	Yes	
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 eligibile for free or discounted care?	5c		No
6a	Did the organization prepare a community benefit reportduring the tax year?	6a	Yes	
6b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Charity Care and Certain Other Community Benefits at Cost

Charity Care 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 Charity care at cost (from Worksheet 1)			1,240,816		1,240,816	1 010 %
b Medicaid (from Worksheet 3, column a)			31,942,462	23,419,833	8,522,629	6 940 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Charity Care and Means-Tested Government Programs			33,183,278	23,419,833	9,763,445	7 950 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)			465,575	49,606	415,969	0 340 %
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)			5,641,759	3,465,961	2,175,798	1 770 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			11,555		11,555	0 010 %
j **Total** Other Benefits			6,118,889	3,515,567	2,603,322	2 120 %
k **Total.** Add lines 7d and 7j			39,302,167	26,935,400	12,366,767	10 070 %

Part II Community Building Activities Complete this table if the organization conducted any community building activities.

	(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 Heathcare Financial Management Association Statement No 15?		1	Yes	
2	Enter the amount of the organization's bad debt expense	2	4,873,852		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3	594,610		
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	40,596,902		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	52,690,667		
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-12,093,765		
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	Did the organization have a written debt collection policy during the tax year?	9a	Yes	
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	Yes	

Part IV Management Companies and Joint Ventures (see instructions)

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

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest)

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

Name and address

	Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	SOUTHWESTERN VERMONT MEDICAL CENTER 100 HOSPITAL DRIVE BENNINGTON,VT 05201	X	X			X		X		

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

(Complete a separate Section B for each of the hospital facilities listed in Part V, Section A)

SOUTHWESTERN VERMONT MEDICAL CENTER

Name of Hospital Facility:

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 1

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	1		
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☐ A definition of the community served by the hospital facility			
b ☐ Demographics of the community			
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☐ How data was obtained			
e ☐ The health needs of the community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☐ The process for identifying and prioritizing community health needs and services to meet those needs			
h ☐ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ___			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		
5 Did the hospital facility make its Needs Assessment widely available to the public?	5		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☐ Hospital facility's website			
b ☐ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☐ Execution of the implementation strategy			
c ☐ Development of a community-wide community benefit plan for the facility			
d ☐ Participation in community-wide community benefit plan			
e ☐ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g ☐ Prioritization of health needs in the community			
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	9	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 %			
If "No," explain in Part VI the criteria the hospital facility used			

Part V Facility Information *(continued)*

			Yes	No
10	Used FPG to determine eligibility for providing discounted care?	10	Yes	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 % If "No," explain in Part VI the criteria the hospital facility used			
11	Explained the basis for calculating amounts charged to patients?	11	Yes	
	If "Yes," indicate the factors used in determining such amounts (check all that apply)			
	a ☑ Income level			
	b ☑ Asset level			
	c ☐ Medical indigency			
	d ☐ Insurance status			
	e ☐ Uninsured discount			
	f ☐ Medicaid/Medicare			
	g ☐ State regulation			
	h ☐ Other (describe in Part VI)			
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility?	13	Yes	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
	a ☑ The policy was posted at all times on the hospital facility's web site			
	b ☑ The policy was attached to all billing invoices			
	c ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
	d ☑ The policy was posted in the hospital facility's admissions offices			
	e ☑ The policy was provided, in writing, to patients upon admission to the hospital facility			
	f ☑ The policy was available upon request			
	g ☐ Other (describe in Part VI)			
Billing and Collections				
14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	14	Yes	
15	Check all of the following collection actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
	a ☐ Reporting to credit agency			
	b ☐ Lawsuits			
	c ☐ Liens on residences			
	d ☐ Body attachments or arrests			
	e ☐ Other similar actions (describe in Part VI)			
16	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	16		No
	If "Yes," check all actions in which the hospital facility or a third party engaged			
	a ☐ Reporting to credit agency			
	b ☐ Lawsuits			
	c ☐ Liens on residences			
	d ☐ Body attachments			
	e ☐ Other similar actions (describe in Part VI)			
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply)			
	a ☑ Notified patients of the financial assistance policy upon admission			
	b ☑ Notified patients of the financial assistance policy prior to discharge			
	c ☑ Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills			
	d ☑ Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy			
	e ☐ Other (describe in Part VI)			

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

		Yes	No
18 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	**18**	Yes	
If "No," indicate why			
a ☐ The hospital facility did not provide care for any emergency medical conditions			
b ☐ The hospital facility's policy was not in writing			
c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
d ☐ Other (describe in Part VI)			

Individuals Eligible for Financial Assistance

19 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b ☐ The hospital facility used the average of it's three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d ☐ Other (describe in Part VI)			
20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?	**20**		No
If "Yes," explain in Part VI			
21 Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services provided to that patient?	**21**		No
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size from largest to smallest)

How many non-hospital facilities did the organization operate during the tax year? **2**

	Name and address	Type of Facility (Describe)
1	NORTHSHIRE CAMPUS 5957 MAIN STREET ROUTE 7A NORTH MANCHESTER CENTER,VT 05255	PRIMARY CARE, LABORATORY X-RAY SERVICES
2	DEERFIELD VALLEY CAMPUS 30 ROUTE 100 SOUTH WILMINGTON,VT 05363	SAME-DAY CARE, LABORATORY ON-SITE X-RAY SERVICES
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 descriptions 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, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21

2 **Community health needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any community health 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
PERCENT OF TOTAL EXPENSE	SCHEDULE H, PART I, LINE 7, COLUMN F	TO ARRIVE AT THE PERCENT OF TOTAL EXPENSES, THE DENOMINATOR WHICH EQUALS TOTAL OPERATING EXPENSES PER PART IX, LINE 25 OF THE FORM 990, WAS REDUCED BY BAD DEBT EXPENSE BAD DEBT EXPENSE SCHEDULE H, PART III, SECTION A, LINE 4 THE AUDITED FINANCIAL STATEMENTS DO NOT CONTAIN A FOOTNOTE THAT DESCRIBES BAD DEBT EXPENSE THEY DO, HOWEVER, CONTAIN A FOOTNOTE THAT DESCRIBES PATIENT ACCOUNTS RECEIVABLE THAT FOOTNOTE READS AS FOLLOWS THE CORPORATION REPORTS PATIENT ACCOUNTS RECEIVABLE FOR SERVICES RENDERED AT NET REALIZABLE AMOUNTS FROM THIRD-PARTY PAYERS, PATIENTS AND OTHERS THE CORPORATION PROVIDES AN ALLOWANCE FOR DOUBTFUL ACCOUNTS BASED UPON A REVIEW OF OUTSTANDING RECEIVABLES, HISTORICAL COLLECTION INFORMATION AND EXISTING ECONOMIC CONDITIONS AS A SERVICE TO THE PATIENT, THE CORPORATION BILLS THIRD-PARTY PAYERS DIRECTLY AND BILLS THE PATIENT WHEN THE PATIENTS LIABILITY IS DETERMINED PATIENT ACCOUNTS RECEIVABLE ARE DUE IN FULL WHEN BILLED ACCOUNTS ARE CONSIDERED DELINQUENT AND SUBSEQUENTLY WRITTEN OFF AS BAD DEBTS BASED ON INDIVIDUAL CREDIT EVALUATION AND SPECIFIC CIRCUMSTANCES OF THE ACCOUNT LINE 2 WAS CALCULATED USING THE BAD DEBT EXPENSE PER THE AUDITED FINANCIAL STATEMENTS THE ORGANIZATION HAS ESTIMATED THE AMOUNT OF BAD DEBT EXPENSE ATTRIBUTABLE TO PATIENTS UNDER THE ORGANIZATION'S CHARITY CARE POLICY FOR LINE 3 BASED ON CENSUS DATA SHOWING 12 2% OF THE POPULATION IN ITS SERVICE AREA FALLING BELOW THE FEDERAL POVERTY GUIDELINES

Identifier	ReturnReference	Explanation
COMMUNITY BENEFIT	SCHEDULE H, PART III, SECTION B, LINE 8	SERVING PATIENTS WITH GOVERNMENT HEALTH BENEFITS, SUCH AS MEDICARE, IS A COMPONENT OF THE COMMUNITY BENEFIT STANDARD THAT TAX-EXEMPT HOSPITALS ARE HELD TO THIS IMPLIES THAT SERVING MEDICARE PATIENTS IS A COMMUNITY BENEFIT AND THAT THE HOSPITAL OPERATES TO PROMOTE THE HEALTH OF THE COMMUNITY

Identifier	ReturnReference	Explanation
COLLECTION POLICY	SCHEDULE H, PART III, SECTION C, LINE 9B	ALL PATIENTS OF THE HOSPITAL HAVE THE ULTIMATE RESPONSIBILITY FOR PAYMENT OF THEIR MEDICAL BILLS, HOWEVER, THE ORGANIZATION RECOGNIZES THAT THERE WILL BE INSTANCES WHERE THE PATIENT WILL BE UNABLE TO MEET THIS OBLIGATION ALL APPLICATIONS FOR FREE CARE MUST BE MADE TO THE COLLECTION COORDINATOR OR FINANCIAL COUNSELOR, WHO WILL REVIEW THE INFORMATION AND DETERMINE ELIGIBILITY THE HOSPITAL WILL MAKE EVERY EFFORT TO ASSIST PATIENTS AND THEIR FAMILIES IN ARRANGING FOR THE SETTLEMENT OF THEIR MEDICAL FINANCIAL OBLIGATIONS MAXIMUM AMOUNTS CHARGED SCHEDULE H, PART V, SECTION B, LINE 19 THE HOSPITAL'S FINANCIAL ASSISTANCE POLICY ALLOWS AT MINIMUM A 10% DISCOUNT TO FAP-ELIGIBLE INDIVIDUALS THEREFORE, THE MAXIMUM AMOUNT THAT IS CHARGED TO A FAP-ELIGIBLE INDIVIDUAL IS 10% OF HOSPITAL GROSS CHARGES FOR PATIENTS ELIGIBLE FOR DISCOUNTED CARE

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT		AS A NON-PROFIT, SOUTHWESTERN VERMONT MEDICAL CENTER STRIVES TO CREATE MEANINGFUL PUBLIC PARTICIPATION IN OUR STRATEGIC PLANNING, DECISION-MAKING AND IDENTIFICATION OF COMMUNITY NEEDS THROUGH A NUMBER OF CHANNELS EACH OF THESE CHANNELS OFFERS OUR HOSPITAL AND HEALTH SYSTEM THE OPPORTUNITY TO HEAR A VARIETY OF VOICES FROM OUR COMMUNITIES IN GENERAL, WE IDENTIFY COMMUNITY NEEDS IN SEVERAL WAYS 1 THROUGH LISTENING TO THE COMMUNITY INPUT THROUGH OUR BOARD OF TRUSTEES, OUR REGIONAL ADVISORY BOARDS, OUR MEDICAL STAFF, AND OUR CONNECTIONS WITH OUTSIDE COMMUNITY GROUPS, SUCH AS SOUTHSHIRE SUBSTANCE ABUSE COALITION, THE BENNINGTON COUNTY SCHOOL TO WORKFORCE PARTNERSHIP, THE BENNINGTON COUNTY CHILDCARE ASSOCIATION, AND SOUTHERN VERMONT AREA HEALTH EDUCATION CENTER 2 THROUGH OUR MEDICAL STAFF DEVELOPMENT PLAN, WHICH COMPARES THE CURRENT STAFFING AT SVMC WITH POPULATION BASED STAFFING MODELS TO IDENTIFY AREAS OF SHORTAGE OR EXCESS PHYSICIAN SUPPLY AS NEEDS ARE IDENTIFIED THEY ARE INCLUDED IN OUR PROCESS FOR CREATING THE HEALTH SYSTEMS STRATEGIC PLAN THE STRATEGIC PLAN PRIORITIZES NEEDS FOR OUR COMMUNITY BOTH FROM A SERVICE AND INFRASTRUCTURE PERSPECTIVE THESE NEEDS ARE THEN PRIORITIZED AND SET INTO STRATEGIC GOALS THE PLAN PROVIDES THE HEALTH SYSTEM WITH A FRAMEWORK FOR ACHIEVING THESE GOALS IN A THREE TO FIVE YEAR TIME FRAME

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

Identifier	ReturnReference	Explanation
COMMUNITY INFORMATION		SERVICE AREA SOUTHWESTERN VERMONT MEDICAL CENTER IS THE ONLY HOSPITAL IN ITS SERVICE AREA THE SERVICE AREA IS CENTERED ON BENNINGTON, VT , AND STRETCHES ABOUT 25 MILES TO THE EAST TO THE COMMUNITIES OF WILMINGTON, VT AND THE DEERFIELD VALLEY IT STRETCHES 30 MILES TO THE NORTH TO ENCOMPASS THE COMMUNITIES OF MANCHESTER AND DORSET, VT , AND OTHER SMALLER COMMUNITIES ON THE EDGE OF BENNINGTON COUNTY AND THE SOUTHERN PORTIONS OF RUTLAND COUNTY TO THE WEST, IT STRETCHES 15-20 MILES INTO EASTERN N Y AND INCLUDES HOOSICK, HOOSICK FALLS, EAGLE BRIDGE, WHITE CREEK, BERLIN, PETERSBURGH AND CAMBRIDGE LASTLY, TO THE SOUTH IT STRETCHES TO THE VERMONT BORDER WITH MASSACHUSETTS AND SERVES SOME MASSACHUSETTS RESIDENTS DEMOGRAPHICS THE SVMC SERVICE AREAS POPULATION GROWTH IS FLAT FROM 2000 TO 2008, THE POPULATION OF THE ENTIRE SERVICE AREA, EXCLUDING FRINGE AREAS, DECLINED BY 122, FROM 68,045 TO 67,923 FROM 2008 TO 2013, THE POPULATION OF SVMCS SERVICE AREA IS EXPECTED TO GROW BY ONLY 38 INDIVIDUALS AT THE SAME TIME, THE AREAS AVERAGE AGE IS INCREASING, AND THE POPULATION IS OLDER THAN THAT OF THE STATE AND THE NATION THE DEMOGRAPHICS OF MUCH OF THE HOSPITALS SERVICE AREA ARE SIGNIFICANTLY OLDER THAN THE STATE AND THE NATION THE 2000 CENSUS SHOWED THAT OF 16 7% OF BENNINGTON COUNTY IS OVER AGE 65 THIS IS COMPARED WITH 12 7% OF VERMONTERS AND 12 4% OF US CITIZENS AT 65 OR OVER THE CENSUS BUREAU FORECAST THAT NUMBER TO GROW TO 18% BY 2008

Identifier	ReturnReference	Explanation
COMMUNITY BUILDING ACTIVITIES		AS A HEALTH CARE ORGANIZATION, SVHC FOCUSES ON COMMUNITY BUILDING ACTIVITIES THAT ARE DIRECTLY RELATED TO PROVIDING HEALTH CARE OR IMPROVING THE HEALTH OF THE COMMUNITIES WE SERVE AS A RESULT, SVHCS ACTIVITIES ARE PRIMARILY CENTERED ON IMPROVING ACCESS TO HEALTH CARE AND EDUCATIONAL OR SUPPORT ACTIVITIES THAT IMPROVE INDIVIDUAL OR COMMUNITY HEALTH ACCESS TO MEDICAL CARE ENSURING THAT OUR COMMUNITY HAS ACCESS TO HIGH QUALITY PRIMARY AND SPECIALTY CARE IS IMPORTANT TO SVHC SVHC ACCOMPLISHES THIS GOAL IN THREE KEY WAYS PROVIDING OVERSIGHT OF MEDICAL CARE QUALITY, RECRUITING NEW PHYSICIANS, AND EMPLOYING PHYSICIANS IN NEEDED SPECIALTIES IT IS HARDER TO RECRUIT AND KEEP PHYSICIANS IN RURAL COMMUNITIES THAN EVER BEFORE IN MANY CASES, WITHOUT SUPPORT FROM THE HEALTH SYSTEM, OUR COMMUNITIES WOULD LOSE PRIMARY AND SPECIALTY CARE SVHC SUPPORTS PRIMARY CARE PRACTICES IN THE DEERFIELD VALLEY AND BENNINGTON AS WELL PRACTICES IN PEDIATRICS, OBSTETRICS AND GYNECOLOGY, AND INFECTIOUS DISEASE IN FISCAL YEAR 2011, SVHC INVESTED $2,476,284 IN SUPPORTING THESE PROGRAMS COMMUNITY SUPPORT, EDUCATION, SCREENINGS, AND SUPPORT GROUPS ALTHOUGH PROVIDING GREAT HEALTH CARE IS OUR MISSION, SVHC IS DEVOTED TO SUPPORTING OUR COMMUNITIES IN MANY OTHER WAYS WE WORK TO HELP PEOPLE LEARN TO LIVE HEALTHIER LIVES WE SUPPORT INITIATIVES TO INTRODUCE STUDENTS TO HEALTH CARE CAREERS AND PROVIDE JOB SHADOW OPPORTUNITIES WE ALSO SUPPORT HAVING OUR STAFF SHARE THEIR EXPERTISE ON LOCAL COMMITTEES, BOARDS, AND COALITIONS IN FISCAL YEAR, 2010 SVHCS COMMUNITY SUPPORT IN THESE AREAS AMOUNTED TO $173,660 OUR EFFORTS INCLUDED -PROVIDING A COORDINATOR TO HELP PEOPLE ENROLL IN MEDICAID, MEDICARE, OR CATAMOUNT HEALTH -OPERATING THE PHYSICIAN FINDER LINE TO HELP PEOPLE FIND A PRIMARY CARE PROVIDER OR SPECIALIST -COORDINATING AND SUPPORTING WELLNESS ACTIVITIES -TEACHING PEOPLE THE BENEFITS OF HEALTHIER EATING -CONDUCTING HEART ATTACK AND STROKE RISK SCREENINGS - EDUCATING HEART ATTACK PATIENTS ON HEART-HEALTHY EATING -HELPING PEOPLE WITH DIABETES LEARN HOW DIET CAN HELP THEM MANAGE THEIR DISEASE -SPONSORING THE HEALTHIER LIVING WORKSHOPS, IN CONJUNCTION WITH THE VERMONT DEPARTMENT OF HEALTH, TO HELP PEOPLE LEARN TO LIVE WITH A CHRONIC CONDITION -SUPPORTING LOCAL YOGA, TAI CHI, AND FITNESS CLASSES -PROVIDING SPECIAL COURSES ON PARENTING AND CHILDBIRTH - SPONSORING MEDQUEST CAMP, A WEEK-LONG IMMERSION INTO HEALTH CARE CAREERS FOR HIGH SCHOOL STUDENTS -PROVIDING GRIEF SUPPORT GROUPS FOR ADULTS AND CHILDREN -EDUCATING THE COMMUNITY ABOUT THE BENEFITS OF TIMELY HOSPICE CARE -HOSTING A BONE MARROW DRIVE TO ADD VOLUNTEER DONORS TO THE NATIONAL BONE MARROW REGISTRY -PROVIDING SPACE FOR THE FAMILIAL CANCER PROGRAM OF THE VERMONT CANCER CENTER SO THAT AREA RESIDENTS CAN RECEIVE GENETIC COUNSELING WITHOUT HAVING TO TRAVEL - SUPPORTING EFFORTS TO IMPROVE SCHOOL LUNCHES BY PROVIDING TIME FOR A REGISTERED DIETITIAN TO WORK WITH COMMUNITY MEMBERS AND SCHOOL OFFICIALS AND PROVIDE NUTRITION ADVICE - PROVIDING SPACE FOR A LOCAL SUPPORT GROUPS TO MEET -PROVIDING JOB SHADOWING, PRECEPTORSHIPS, AND COMMUNITY SERVICE OPPORTUNITIES TO LOCAL HIGH SCHOOL AND COLLEGE STUDENTS -PROVIDING EXPERTISE ON THE BOARD OF THE BENNINGTON COUNTY CHILD CARE ASSOCIATION -PROVIDING ONGOING TRAINING AND SUPPORT FOR AREA RESCUE SQUADS TOBACCO CESSATION BECAUSE SMOKING AND OTHER TOBACCO USE IS DEADLY, SVHC FUNDS A TOBACCO CESSATION PROGRAM SOME OF THESE COSTS ARE GRANT-FUNDED HOWEVER, SVHC'S SHARE AMOUNTED TO $63,752

Identifier	ReturnReference	Explanation
OTHER INFORMATION		SVHC HAS RELATIONSHIPS WITH LOCAL ARMS OF FAITH-BASED ORGANIZATIONS THAT PROVIDE SURPLUS MEDICAL EQUIPMENT AND SURGICAL SUPPLIES TO DEVELOPING COUNTRIES

Identifier	ReturnReference	Explanation
AFFILIATED HEALTH CARE SYSTEM ROLES		THE ORGANIZATION IS A MEMBER OF A CONSOLIDATED GROUP THE GROUP'S CONSOLIDATED FINANCIAL STATEMENTS INCLUDE THE ACCOUNTS OF SOUTHWESTERN VERMONT HEALTH CARE CORPORATION (SVHC), SOUTHWESTERN VERMONT MEDICAL CENTER, INC (SVMC), MOUNT ANTHONY HOUSING CORPORATION (MAHC), SOUTHWESTERN VERMONT HEALTH CARE AUXILIARY, INC (SVHCA), AND SOUTHWESTERN VERMONT HEALTH CARE ENTERPRISES (SVHCE) SOUTHWESTERN VERMONT HEALTH CARE CORPORATION (SVHC) IS A NOT-FOR-PROFIT CORPORATION ORGANIZED UNDER THE LAWS OF THE STATE OF VERMONT FOR THE PURPOSE OF SERVING AS A PARENT ORGANIZATION FOR FOUR WHOLLY OWNED OR CONTROLLED SUBSIDIARY CORPORATIONS ACTIVITIES PERFORMED BY SVHC INCLUDE MANAGING INVESTMENTS, FUNDRAISING, OPERATING AND MANAGING BUILDINGS AND EQUIPMENT OWNED AND LEASED BY SUBSIDIARIES AND OTHER RELATED ENTITIES SVHC AND ITS SUBSIDIARIES ARE PROVIDERS OF HEALTH SERVICES WITH FACILITIES IN AND AROUND THE BENNINGTON, VERMONT, AREA THE SUBSIDIARIES OF THE CORPORATION ARE SOUTHWESTERN VERMONT MEDICAL CENTER, INC (SVMC) IS A NOT-FOR-PROFIT, ACUTE CARE HOSPITAL WHICH PROVIDES DIAGNOSTIC AND TREATMENT SERVICES MOUNT ANTHONY HOUSING CORPORATION (MAHC) IS A NOT-FOR-PROFIT CORPORATION ORGANIZED FOR THE PURPOSE OF DEVELOPING, MANAGING AND OPERATING NURSING HOMES SOUTHWESTERN VERMONT HEALTH CARE AUXILIARY, INC (SVHCA) IS A NOT-FOR-PROFIT CORPORATION ORGANIZED FOR THE PURPOSE OF SERVING AND ASSISTING SVHC AND ITS SUBSIDIARIES IN PROMOTING THE HEALTH AND WELFARE OF THE COMMUNITY IN ACCORDANCE WITH SVMC'S OBJECTIVES AND TO CONDUCT VARIOUS PHILANTHROPIC ACTIVITIES FOR SVMC SOUTHWESTERN VERMONT HEALTH CARE ENTERPRISES (SVHCE) IS A FOR PROFIT CORPORATION ORGANIZED FOR THE PURPOSE OF PROVIDING FAMILY PRACTICE AND OTHER SPECIALTY PHYSICIAN SERVICES

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
SOUTHWESTERN VERMONT MEDICAL CENTER

Employer identification number
22-2563241

Part I General Information on Grants and Assistance

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

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

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed . . . . . ▶ ☑

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance

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

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

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Use Schedule I-1 (Form 990) if additional space is needed.

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

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

Identifier	Return Reference	Explanation
MONITORING GRANT FUNDS	SCHEDULE I, PART I, LINE 2	THE ORGANIZATION PROVIDES GRANT FUNDS TO LOCAL CHARITABLE ORGANIZATIONS BASED ON NEED THE USE OF THE FUNDS CAN BE SEEN IN THE COMMUNITY

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
SOUTHWESTERN VERMONT MEDICAL CENTER

Employer identification number
22-2563241

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate 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 ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax idemnification and gross-up payments ☐ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision of all the expenses described above? If "No," complete Part III to explain	**1b**		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**		
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 ☑ Written employment contract ☑ Independent compensation consultant ☑ Compensation survey or study ☐ Form 990 of other organizations ☑ Approval by the board or compensation committee			
4	During the year, did any person listed 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?	**4a**	Yes	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**		No
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	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?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
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?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
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	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured 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	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space 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) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, columns (D) and (E) for that individual

(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) WILLIAM TOCK MD	(i)	230,505	0	16,704	29,196	28,711	305,116	0
	(ii)	0	0	0	0	0	0	0
(2) THOMAS DEE	(i)	400,246	50,000	19,137	6,496	31,459	507,338	0
	(ii)	0	0	0	0	0	0	0
(3) STEPHEN D MAJETICH	(i)	286,914	0	513	0	27,273	314,700	0
	(ii)	0	0	0	0	0	0	0
(4) MARK DONAVAN MD	(i)	269,607	0	19,944	374	11,452	301,377	0
	(ii)	0	0	0	0	0	0	0
(5) DIANNE PROBOLA	(i)	191,657	0	17,537	83,399	16,546	309,139	0
	(ii)	0	0	0	0	0	0	0
(6) ORION HOWARD MD	(i)	447,575	0	692	0	28,029	476,296	0
	(ii)	0	0	0	0	0	0	0
(7) CHARLENE IVES MD	(i)	338,202	0	16,861	24,890	1,115	381,068	0
	(ii)	0	0	0	0	0	0	0
(8) CHARLES SALEM MD	(i)	483,922	0	545	14,380	684	499,531	0
	(ii)	0	0	0	0	0	0	0
(9) RONALD MENSH MD	(i)	415,077	0	3,168	7,981	27,600	453,826	0
	(ii)	0	0	0	0	0	0	0
(10) ANTHONY DONALDSON MD	(i)	322,312	0	16,825	7,538	28,007	374,682	0
	(ii)	0	0	0	0	0	0	0
(11) HARVEY YORKE	(i)		0	159,987	83,650	0	243,637	0
	(ii)	0	0	0	0	0	0	0
(12) BRIAN DONNELLY	(i)	218,565	0	676	0	24,187	243,428	0
	(ii)	0	0	0	0	0	0	0
(13) CAROL CONROY	(i)	210,817	0	1,037	0	431	212,285	0
	(ii)	0	0	0	0	0	0	0

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
SEVERANCE OR CHANGE OF CONTROL PAYMENT	SCHEDULE J, PART I, LINE 4A	HARVEY YORKE RECEIVED A SEVERANCE PAYMENT IN THE AMOUNT OF $148,162 FROM THE ORGANIZATION
BONUS DETERMINATION	SCHEDULE J, PART II, COLUMN B (II)	THE AMOUNT OF INCENTIVE COMPENSATION IS CALCULATED IN ACCORDANCE WITH THE FORMAL INCENTIVE COMPENSATION PROGRAM THAT WAS DEVELOPED BY SVHC'S HUMAN RESOURCE DEPARTMENT IN CONJUNCTION WITH OUR COMPENSATION CONSULTANT MIKE MACIEKOWICH OF ASTRON SOLUTIONS THE ESSENCE OF THE PROGRAM IS TO REWARD OUR CEO FOR ACHIEVING POSITIVE RESULTS ON BOTH ORGANIZATIONAL AND INDIVIDUAL GOALS GOALS ARE ESTABLISHED BY THE GOVERNANCE COMMITTEE PRIOR TO THE BEGINNING OF THE FISCAL YEAR TYPICALLY THERE WILL BE FIVE TO SIX ORGANIZATIONAL GOALS AND EIGHT TO TEN INDIVIDUAL GOALS SUCCESSFUL ACHIEVEMENT OF THESE GOALS RESULTS IN ADDITIONAL COMPENSATION FOR THE CEO, HOWEVER, NO PAYOUT IS MADE UNLESS SVHC'S FINANCIAL GOAL IS ACHIEVED

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

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

2011

Open to Public Inspection

Name of the organization
SOUTHWESTERN VERMONT MEDICAL CENTER

Employer identification number
22-2563241

Part I Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	VT EDUCATIONAL & HEALTH BUILDING FINANCING AGENCY	23-7154467	824166BR1	03-20-2008	8,865,000	CURRENT REFUND OF 1995 BONDS		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	0			
2	Amount of bonds defeased	0			
3	Total proceeds of issue	8,865,000			
4	Gross proceeds in reserve funds	0			
5	Capitalized interest from proceeds	0			
6	Proceeds in refunding escrow	8,707,360			
7	Issuance costs from proceeds	135,047			
8	Credit enhancement from proceeds	22,593			
9	Working capital expenditures from proceeds	0			
10	Capital expenditures from proceeds	0			
11	Other spent proceeds	0			
12	Other unspent proceeds	0			
13	Year of substantial completion	2008			

		A		B		C		D	
		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?								
2	Are there any lease arrangements that may result in private business use of bond-financed property?								

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use?								
b	If 'Yes' to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?								
d	If 'Yes' to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶		0 %						
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?								

Part IV Arbitrage

		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	0							
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								
4a	Were gross proceeds invested in a GIC?		X						
b	Name of provider	0							
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 V Procedures To Undertake Corrective Action

Check the box if the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations . . . . . ☐ Yes ☑ No

Part VI Supplemental Information

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

2011

Open to Public Inspection

Name of the organization
SOUTHWESTERN VERMONT MEDICAL CENTER

Employer identification number
22-2563241

Identifier	Return Reference	Explanation
ORGANIZATION'S MISSION	FORM 990, PART III, LINE 1	OUR MISSION TO CARE FOR AND COMFORT OUR PATIENTS, RESIDENTS, AND THEIR LOVED ONES AND TO IMPROVE THE HEALTH STATUS OF THE COMMUNITIES WE SERVE ALSO, TO PROMOTE AND SUPPORT THE DEVELOPMENT AND MAINTENANCE OF A HIGHLY EFFICIENT, PATIENT-FOCUSED, INTEGRATED HEALTHCARE DELIVERY SYSTEM OUR VISION TO MAKE THE COMMUNITIES WE SERVE THE HEALTHIEST IN THE NATION AND OUR HEALTH SYSTEM THE SAFEST IN THE NATION OUR VALUES KNOWN BY THE ACRONYM QUESTS, SVHC EXPECTS ITS EMPLOYEES TO MODEL THE FOLLOWING VALUES QUALITY ACHIEVING THE BEST POSSIBLE OUTCOMES AND SATISFYING THE CUSTOMER IN THE MOST COST-EFFECTIVE MANNER EMPATHY TREATING OTHERS IN A COMPASSIONATE AND SENSITIVE MANNER SAFETY PREVENTING HARM TO PATIENTS FROM TREATMENT THAT IS INTENDED TO HELP THEM AND TO EMPLOYEES FROM AN ENVIRONMENT THAT IS INTENDED TO SUPPORT THEM TEAMWORK HELPING EACH OTHER TO ACHIEVE SUCCESS STEWARDSHIP CONSERVING RESOURCES AND MAKING DECISIONS THAT ACHIEVE THE HIGHEST VALUE AT THE LOWEST COST

Identifier	Return Reference	Explanation
PROGRAM SERVICE ACCOMPLISHMENTS	FORM 990, PART III, LINE 4A	SOUTHWESTERN VERMONT MEDICAL CENTER PROVIDES VISITING NURSE HOME HEALTH AND HOSPICE SERVICES TO THE BENNINGTON AREA WHICH INCLUDE ROUTINE HOME CARE, WOUND CARE, REHABILITATION SERVICES, INFUSION SERVICES, MOTHER AND CHILD CARE AND HOSPICE CARE FOR TERMINALLY ILL PATIENTS

Identifier	Return Reference	Explanation
MANAGEMENT DUTIES	FORM 990, PART VI, SECTION A, LINE 3	SVMC CONTRACTED WITH DARTMOUTH HITCHCOCK MEDICAL CENTER FOR INTERIM VP MEDICAL GROUP SERVICES FROM JULY TO SEPTEMBER 2011

Identifier	Return Reference	Explanation
MEMBERS	FORM 990, PART VI, SECTION A, LINES 6, 7A, & 7B	THE SOLE MEMBER OF THE CORPORATION SHALL BE THE SOUTHWESTERN VERMONT HEALTH CARE CORPORATION ("SVHC"), A NONPROFIT CORPORATION, ACTING THROUGH ITS BOARD OF DIRECTORS (THE "SVHC BOARD") THE MEMBER SHALL TAKE ACTION BY RESOLUTION DULY ADOPTED BY THE SVHC BOARD OR BY EXECUTION OF A WRITTEN CONSENT, AUTHORIZED BY THE SVHC BOARD AND EXECUTED BY A PERSON SO AUTHORIZED THE AFFAIRS OF THE CORPORATION SHALL BE MANAGED AND CONDUCTED BY A BOARD OF DIRECTORS (THE "BOARD"), SUBJECT TO THE AUTHORITY AND DIRECTION OF THE SVHC BOARD THE SVHC BOARD SHALL HAVE ULTIMATE RESPONSIBILITY TO ASSURE THAT THE POLICIES AND ACTIVITIES OF THE CORPORATION ARE COORDINATED WITH THOSE OF ITS AFFILIATED CORPORATIONS IN ORDER TO ACHIEVE A HIGHLY EFFICIENT, PATIENT-FOCUSED, INTEGRATED SYSTEM OF HEALTH CARE DELIVERY ACCORDINGLY, ANY CORPORATE ACTION OF THE CORPORATION AUTHORIZED BY THE SVHC BOARD SHALL BE DEEMED TO BE AUTHORIZED AND DIRECTED BY THE BOARD IN THE ABSENCE OF ANY CONTRARY DIRECTION FROM SVHC BOARD, THE BOARD MAY TAKE ACTION WITH RESPECT TO THE AFFAIRS OF THE CORPORATION IN ACCORDANCE WITH THESE BYLAWS, PROVIDED HOWEVER, THAT THE BOARD MAY NOT TAKE ACTION WITH RESPECT TO ANY OF THE FOLLOWING MATTERS WITHOUT AUTHORIZATION OF THE SVHC BOARD ANNUAL OPERATING BUDGETS, CAPITAL BUDGETS, CERTIFICATE OF NEED APPLICATIONS, ANY CONTRACT OR AGREEMENT WHICH IS OF A SUBSTANTIAL NATURE OR WHICH IS NOT INCLUDED IN APPROVED OPERATING OR CAPITAL BUDGETS, ANY VOLUNTARY DISSOLUTION, MERGER, OR CONSOLIDATION OF THE CORPORATION OR THE SALE OR TRANSFER OF ALL OR SUB-CREATION, ACQUISITION, DISSOLUTION, MERGER OR CONSOLIDATION OF ANY SUBSIDIARY OR AFFILIATE OR AUXILIARY CORPORATION, ANY AMENDMENTS TO THE BYLAWS, ARTICLES OF INCORPORATION OF THE CORPORATION, THE STRATEGIC AND MASTER FACILITIES PLANS, AND APPOINTMENT OF CHIEF EXECUTIVE OFFICER

Identifier	Return Reference	Explanation
FORM 990 REVIEW PROCESS	FORM 990, PART VI, SECTION B, LINE 11B	THE FORM 990 IS PREPARED BY AN INDEPENDENT ACCOUNTING FIRM BASED ON THE AUDITED FINANCIAL STATEMENTS AND INFORMATION PROVIDED BY THE ACCOUNTING DEPARTMENT OF THE ORGANIZATION THE DRAFT 990 IS THEN REVIEWED BY MANAGEMENT AND ACCOUNTING AFTER ALL SUGGESTED CHANGES FROM MANAGEMENT ARE MADE, THE UPDATED DRAFT FORM 990 IS THEN PRESENTED TO THE AUDIT AND FINANCE COMMITTEES AFTER ANY FINAL CHANGES ARE MADE, THE FORM 990 IS PRESENTED TO THE FULL BOARD OF DIRECTORS BEFORE FILING WITH THE IRS

Identifier	Return Reference	Explanation
MONITORING COMPLIANCE WITH CONFLICT OF INTEREST POLICY	FORM 990, PART VI, SECTION B, LINE 12C	OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES ARE REQUIRED TO ANNUALLY DISCLOSE INTERESTS WHICH COULD RESULT IN CONFLICTS THE COMPLIANCE OFFICER MAINTAINS RECORDS ON THE COMPLETION OF THE CONFLICT OF INTEREST FORMS, ANY POTENTIAL CONFLICTS ARE DISCUSSED AT THE AUDIT AND COMPLIANCE MEETING AND THEN RECOMMENDATIONS ARE BROUGHT BEFORE THE FULL BOARD FOR A VOTE IN THE CASE OF A POTENTIAL CONFLICT OF INTEREST, THE BOARD MEMBER ABSTAINS FROM ALL DISCUSSION AND CONSIDERATION OF THE ITEM THAT PRESENTS THE POTENTIAL CONFLICT

Identifier	Return Reference	Explanation
COMPENSATION REVIEW	FORM 990, PART VI, SECTION B, LINES 15A & 15B	THE BOARD ENGAGES AN OUTSIDE CONSULTING FIRM TO REVIEW COMPARABLE CEO SALARY DATA AND USES NATIONAL PROFESSIONAL ORGANIZATION SURVEY DATA IN THE DETERMINATION OF THE CEO'S SALARY AND BENEFITS IN ADDITION, THE BOARD ENGAGES AN OUTSIDE CONSULTING FIRM AND ALSO USES NATIONAL PROFESSIONAL ORGANIZATION SURVEY DATA TO REVIEW THE WAGE DATA OF OTHER OFFICERS AND KEY EMPLOYEES THE PROCESS BEGINS WITH A REQUEST TO OUR COMPENSATION CONSULTANT MIKE MACIEKOWICH OF ASTRON SOLUTIONS TO PERFORM A MARKET ANALYSIS OF THE CEO POSITION THIS REPORT IS USED AS THE BASES FOR STRUCTURING COMPENSATION FOR THE CEO DURING THE NEXT CONTRACT PERIOD USING THE RESULTS OF THE MARKET ANALYSIS WITH INPUT FROM OUR CEO, THE COMPENSATION OFFER FOR THE NEXT CONTRACT PERIOD IS DEVELOPED AND INCORPORATED INTO THE CONTRACT THE COMPENSATION IS THEN DISCUSSED BY THE GOVERNANCE COMMITTEE OF THE BOARD WITH MIKE MACIEKOWICH IN ATTENDANCE OR ON THE PHONE IF MIKE MACIEKOWICH IS IN AGREEMENT HE WILL PROVIDE A WRITTEN LETTER CONFIRMING HIS AGREEMENT

Identifier	Return Reference	Explanation
DOCUMENT DISCLOSURE	FORM 990, PART VI, SECTION C, LINE 19	SOUTHWESTERN VERMONT MEDICAL CENTER MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST

Identifier	Return Reference	Explanation
BOARD MEMBER COMPENSATION	FORM 990, PART VII, SECTION A	ERIC SEYFERTH, MD IS AN EMPLOYED PHYSICIAN OF THE ORGANIZATION WILLIAM TOCK, MD IS ALSO AN EMPLOYED PHYSICIAN OF THE ORGANIZATION, AS WELL AS THE PRESIDENT OF THE MEDICAL STAFF WILLIAM SARCHINO, MD, REPLACED WILLIAM TOCK AS PRESIDENT OF THE MEDICAL STAFF IN MARCH OF 2012 AND RECEIVED COMPENSATION DURING THE FISCAL YEAR, BUT WAS NOT COMPENSATED DURING THE CALENDAR YEAR NO TRUSTEE RECEIVES COMPENSATION FOR THEIR SERVICES AS A TRUSTEE OF THE BOARD

Identifier	Return Reference	Explanation
HOURS WORKED FOR A RELATED ORGANIZATION	FORM 990, PART VII, SECTION A, COLUMN B	ALL TRUSTEES SERVED AN AVERAGE OF 1 HOUR PER WEEK ON THE BOARD OF SOUTHWESTERN VERMONT HEALTH CARE CORPORATION (''SVHC'') AND MT ANTHONY HOUSING CORPORATION (''MAHC''), BOTH RELATED ORGANIZATIONS OFFICER THOMAS DEE AND KEY EMPLOYEE DIANNE PROBOLA SERVED ON THE BOARD OF SOUTHWESTERN VERMONT HEALTH CARE AUXILIARY (''SVHCA''), A RELATED ORGANIZATION FOR AN AVERAGE OF 20 AND 80 HOURS PER WEEK, RESPECTIVELY OFFICERS THOMAS DEE, MARK DONOVAN, AND STEPHEN D MAJETICH WORKED AN AVERAGE OF 40 HOURS PER WEEK BETWEEN SVHC, SVMC, AND MAHC AS CHIEF EXECUTIVE OFFICER, CHIEF MEDICAL OFFICER, AND CHIEF FINANCIAL OFFICER, RESPECTIVELY

Identifier	Return Reference	Explanation
OTHER CHANGES IN NET ASSETS	FORM 990, PART XI, LINE 5	UNREALIZED GAIN ON INVESTMENTS $ 560,072 DEFINED BENEFIT PENSION COSTS (11,107,562) NET TRANSFER TO AFFILIATES (5,030,846) CHANGE IN FV OF INTEREST RATE SWAP (120,088) ---------- TOTAL CHANGES $(15,698,424)

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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

2011

Open to Public Inspection

Name of the organization
SOUTHWESTERN VERMONT MEDICAL CENTER

Employer identification number
22-2563241

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

(a) Name, address, and EIN 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) SOUTHWESTERN VERMONT HEALTH CARE CORP 100 HOSPITAL DRIVE BENNINGTON, VT 05201 03-0179435	MANAGEMENT	VT	501(C)(3)	3	NA		No
(2) MOUNT ANTHONY HOUSING CORPORATION 100 HOSPITAL DRIVE BENNINGTON, VT 05201 03-0279740	NURSING HOMES	VT	501(C)(3)	9	SVHC		No
(3) SOUTHWESTERN VT HEALTHCARE AUXILIARY 100 HOSPITAL DRIVE BENNINGTON, VT 05201 22-2563243	SUPPORT	VT	501(C)(3)	9	SVHC		No
(4) SOUTHWESTERN VT HEALTH CARE FOUNDATION 100 HOSPITAL DRIVE BENNINGTON, VT 05201 45-3362785	FUNDRAISING	VT	501(C)(3)	11 A I	SVHC		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) Disproportionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership

Part 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
(1) SOUTHWESTERN VT HEALTHCARE ENTERPRISES 100 HOSPITAL DRIVE BENNINGTON, VT 05201 03-0314501	HEALTHCARE	VT	NA	C CORP			

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

		Yes	No
1 During the tax year, did the orgranization 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	1a		No
b Gift, grant, or capital contribution to related organization(s)	1b		No
c Gift, grant, or capital contribution from related organization(s)	1c	Yes	
d Loans or loan guarantees to or for related organization(s)	1d	Yes	
e Loans or loan guarantees by related organization(s)	1e		No
f Sale of assets to related organization(s)	1f		No
g Purchase of assets from related organization(s)	1g		No
h Exchange of assets with related organization(s)	1h		No
i Lease of facilities, equipment, or other assets to related organization(s)	1i		No
j Lease of facilities, equipment, or other assets from related organization(s)	1j	Yes	
k Performance of services or membership or fundraising solicitations for related organization(s)	1k	Yes	
l Performance of services or membership or fundraising solicitations by related organization(s)	1l	Yes	
m Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1m	Yes	
n Sharing of paid employees with related organization(s)	1n	Yes	
o Reimbursement paid to related organization(s) for expenses	1o		No
p Reimbursement paid by related organization(s) for expenses	1p	Yes	
q Other transfer of cash or property to related organization(s)	1q	Yes	
r Other transfer of cash or property from related organization(s)	1r	Yes	

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

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

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

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

Schedule R (Form 990) 2011

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation	

Southwestern Vermont Health Care Corporation

Accountants' Report and Consolidated Financial Statements

September 30, 2012 and 2011

Southwestern Vermont Health Care Corporation

September 30, 2012 and 2011

Contents

BKD LLP
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Independent Accountants' Report

Board of Trustees
Southwestern Vermont Health Care Corporation
Bennington, Vermont

We have audited the accompanying consolidated balance sheets of Southwestern Vermont Health Care Corporation (the "Corporation") as of September 30, 2012 and 2011, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended These financial statements are the responsibility of the Corporation's management Our responsibility is to express an opinion on these financial statements based on our audits

We conducted our audits in accordance with auditing standards generally accepted in the United States of America Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Southwestern Vermont Health Care Corporation as of September 30, 2012 and 2011, and the results of its operations, the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America

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

BKD, LLP

December 20, 2012

Southwestern Vermont Health Care Corporation

Consolidated Balance Sheets

September 30, 2012 and 2011

Assets

	2012	2011
Current Assets		
Cash and cash equivalents	$ 11,080,538	$ 13,687,173
Patient accounts receivable, net of allowance, 2012 - $9,550,000, 2011 - $8,730,000	12,736,815	11,661,814
Other receivables	1,937,096	1,096,012
Supplies	2,446,337	2,372,982
Prepaid expenses and other	2,041,477	2,302,333
Total current assets	30,242,263	31,120,314
Assets Limited As To Use		
Internally designated	49,745,573	40,386,297
Externally restricted	11,104,643	9,750,318
	60,850,216	50,136,615
Property and Equipment, At Cost	128,966,585	138,508,475
Less accumulated depreciation	93,762,859	101,670,126
	35,203,726	36,838,349
Other Assets		
Beneficial interest in perpetual trust	1,986,894	1,843,150
Deferred compensation plan assets	904,388	1,416,232
Other	220,741	272,622
	3,112,023	3,532,004
Total assets	$ 129,408,228	$ 121,627,282

See Notes to Consolidated Financial Statements

Liabilities and Net Assets

	2012	2011
Current Liabilities		
Current maturities of long-term debt	$ 548,369	$ 788,316
Accounts payable	6,846,365	5,397,747
Accrued expenses	5,604,264	8,125,333
Estimated amounts due to third-party payers	1,368,072	2,108,845
Estimated self-insurance costs	1,346,399	1,368,561
Other	273,496	360,827
Total current liabilities	15,986,965	18,149,629
Long-Term Debt	8,893,270	9,043,045
Asset Retirement Obligations	1,095,600	1,043,761
Accrued Pension Liabilities	24,676,355	15,993,991
Deferred Compensation	901,124	1,413,516
Interest Rate Swap Agreement	1,841,596	1,721,508
Other Liabilities	87,048	90,966
Total liabilities	53,481,958	47,456,416
Net Assets		
Unrestricted	63,219,770	62,912,145
Temporarily restricted	2,333,095	2,210,951
Permanently restricted	10,373,405	9,047,770
Total net assets	75,926,270	74,170,866
Total liabilities and net assets	$ 129,408,228	$ 121,627,282

Southwestern Vermont Health Care Corporation

Consolidated Statements of Operations

Years Ended September 30, 2012 and 2011

	2012	2011
Unrestricted Revenues, Gains and Other Support		
Net patient service revenue	$ 151,650,451	$ 147,794,982
Provision for uncollectible accounts	(5,083,343)	(4,108,360)
Net patient service revenue less provision for uncollectible accounts	146,567,108	143,686,622
Other	5,789,022	3,494,363
Net assets released from restrictions used for operations	653,645	603,540
Total unrestricted revenues, gains and other support	153,009,775	147,784,525
Expenses and Losses		
Salaries and wages	65,352,312	65,739,437
Employee benefits	14,371,122	15,308,594
Purchased services	17,172,198	9,540,150
Supplies and other	44,978,283	42,054,271
Depreciation and amortization	7,050,799	6,724,557
Interest	391,218	430,017
Total expenses and losses	149,315,932	139,797,026
Operating Income	3,693,843	7,987,499
Other Income (Expense)		
Investment return	7,465,118	1,410,107
Change in fair value of interest rate swap agreement	(120,088)	(426,924)
Contributions	327,321	249,683
Total other income	7,672,351	1,232,866
Excess of Revenues Over Expenses	11,366,194	9,220,365
Net assets released from restriction used for purchase of property and equipment	282,231	74,329
Defined benefit pension costs		
Net loss arising during the period	(11,808,786)	(1,942,579)
Amortization of net loss included in net periodic pension cost	449,877	542,121
Other	18,109	-
Increase in Unrestricted Net Assets	$ 307,625	$ 7,894,236

Southwestern Vermont Health Care Corporation

Consolidated Statements of Changes in Net Assets

Years Ended September 30, 2012 and 2011

	2012	2011
Unrestricted Net Assets		
Excess of revenues over expenses	$ 11,366,194	$ 9,220,365
Net assets released from restriction used for purchase of property and equipment	282,231	74,329
Defined benefit pension costs		
Net loss arising during the period	(11,808,786)	(1,942,579)
Amortization of net loss included in net periodic pension cost	449,877	542,121
Other	18,109	-
Increase in unrestricted net assets	307,625	7,894,236
Temporarily Restricted Net Assets		
Contributions received	1,026,003	845,729
Investment return	32,017	17,398
Net assets released from restriction	(935,876)	(677,869)
Increase in temporarily restricted net assets	122,144	185,258
Permanently Restricted Net Assets		
Contributions received	1,200,000	270,000
Change in beneficial interest in trust	143,744	(141,556)
Other	(18,109)	-
Increase in permanently restricted net assets	1,325,635	128,444
Change in Net Assets	1,755,404	8,207,938
Net Assets, Beginning of Year	74,170,866	65,962,928
Net Assets, End of Year	$ 75,926,270	$ 74,170,866

Southwestern Vermont Health Care Corporation

Consolidated Statements of Cash Flows

Years Ended September 30, 2012 and 2011

	2012	2011
Operating Activities		
Change in net assets	$ 1,755,404	$ 8,207,938
Items not requiring (providing) operating cash flow		
Loss on sale of property and equipment	24,016	-
Depreciation and amortization	7,050,799	6,724,557
Net gain on investments	(6,197,411)	(389,594)
Change in fair value of interest rate swap agreement	120,088	426,924
Change in beneficial interest in perpetual trusts	(143,744)	141,556
Restricted contributions and investment income received	(2,258,020)	(1,133,127)
Defined benefit pension costs	8,682,364	1,662,296
Changes in		
Patient accounts receivable, net	(1,075,001)	736,209
Estimated amounts due from and to third-party payers	(740,773)	317,027
Accounts payable and accrued expenses	(503,283)	(2,173,512)
Asset retirement obligations	51,839	-
Other assets and liabilities	(606,168)	224,958
Net cash provided by operating activities	6,160,110	14,745,232
Investing Activities		
Purchase of investments	(23,825,653)	(83,347,396)
Proceeds from sale of investments	19,387,437	68,010,861
Purchase of property and equipment	(5,738,994)	(4,947,217)
Net cash used in investing activities	(10,177,210)	(20,283,752)
Financing Activities		
Proceeds from restricted contributions and investment income	2,258,020	1,133,127
Principal payments on long-term debt	(847,555)	(1,059,713)
Net cash provided by financing activities	1,410,465	73,414
Decrease in Cash and Cash Equivalents	(2,606,635)	(5,465,106)
Cash and Cash Equivalents, Beginning of Year	13,687,173	19,152,279
Cash and Cash Equivalents, End of Year	$ 11,080,538	$ 13,687,173
Supplemental Cash Flows Information		
Interest paid	$ 394,860	$ 429,544
Property and equipment in accounts payable	$ 650,859	$ 1,329,520
Capital lease obligation incurred for property and equipment	$ 452,500	$ -

Southwestern Vermont Health Care Corporation

Notes to Consolidated Financial Statements

September 30, 2012 and 2011

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

Nature of Operations

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

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

Mount Anthony Housing Corporation (MAHC) is a not-for-profit corporation organized for the purpose of developing, managing and operating nursing homes

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

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

Principles of Consolidation

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period Actual results could differ from those estimates

Cash and Cash Equivalents

The Corporation considers all liquid investments with original maturities of three months or less to be cash equivalents At September 30, 2012 and 2011, cash equivalents consisted primarily of money market sweep accounts with banks

Effective July 21, 2010, the FDIC's insurance limits were permanently increased to $250,000 At September 30, 2012, the Corporation's interest-bearing cash accounts exceeded federally insured limits by approximately $50,000

The Corporation also utilizes sweep products as part of their cash management policy, which are not FDIC insured, but may be covered by separate agreements with the financial institution At September 30, 2012, the Corporation held approximately $11,110,000 in sweep products

Investments and Investment Return

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

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

Assets Limited As To Use

Assets limited as to use include (1) assets set aside by the Board of Trustees for future capital improvements over which the Board retains control and may at its discretion subsequently use for other purposes and (2) assets restricted by donors

Patient Accounts Receivable

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

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

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

Activity within the allowance for doubtful accounts is recapped as follows

	2012	2011
Balance, beginning of year	$ 8,730,000	$ 10,650,000
Provision for year	5,083,343	4,108,360
Accounts charged off during the year	(4,263,343)	(6,028,360)
Balance, end of year	$ 9,550,000	$ 8,730,000

Supplies

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

Property and Equipment

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

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

Long-Lived Asset Impairment

The Corporation evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable If a long-lived asset is tested for recoverability and the undiscounted estimate future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value No asset impairment was recognized during the years ended September 30, 2012 and 2011

Temporarily and Permanently Restricted Net Assets

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

Net Patient Service Revenue

The Corporation has agreements with third-party payers that provide for payments to the Corporation at amounts different from its established rates Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers and others for services rendered and includes estimated retroactive revenue adjustments Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered and such estimated amounts are revised in future periods as adjustments become known

Charity Care

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

Contributions

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

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

Estimated Malpractice Costs

An annual estimated provision is accrued for the self-insured portion of medical malpractice claims and includes an estimate of the ultimate costs for both reported claims and claims incurred but not reported

Estimated Self-Insurance Costs

The Corporation maintains estimated reserves for self-insurance costs for employee health insurance and workers' compensation insurance These reserves include an estimate of the ultimate costs for both reported claims and claims incurred but not reported The Corporation has purchased insurance that limits its exposure for individual claims that exceed $200,000 up to an aggregate of $2 million, annually

Guarantee

The Corporation guarantees certain third-party debt of employees and unconsolidated affiliated organizations Should the Corporation be obligated to perform under the guarantee agreement, the Corporation may seek reimbursement from the related organization of amounts expended under the guarantee No liability has been recorded in the consolidated financial statements for the guarantees

Income Taxes

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

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

The Corporation files tax returns in the U S federal jurisdiction With a few exceptions, the Corporation is no longer subject to U S federal examinations by tax authorities for years before 2009

Excess of Revenues Over Expenses

The statements of operations include excess of revenues over expenses Changes in unrestricted net assets which are excluded from excess of revenues over expenses, consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purpose of acquiring such assets) and defined benefit pension plan changes

Electronic Health Records Incentive Program

The Electronic Health Records Incentive Program, enacted as part of the *American Recovery and Reinvestment Act of 2009*, provides for one-time incentive payments under both the Medicare and Medicaid programs to eligible hospitals that demonstrate meaningful use of certified electronic health records technology (EHR) Payments under the Medicare program are generally made for up to four years based on a statutory formula Payments under the Medicaid program are generally made for up to four years based upon a statutory formula, as determined by the state, which is approved by the Centers for Medicare and Medicaid Services Payment under both programs are contingent on the hospital continuing to meet escalating meaningful use criteria and any other

specific requirements that are applicable for the reporting period The final amount for any payment year is determined based upon an audit by the fiscal intermediary Events could occur that would cause the final amounts to differ materially from the initial payments under the program

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

In 2012, the Corporation completed the first-year requirements under both the Medicare and Medicaid programs and has recorded revenue of approximately $2,300,000, which is included in other revenue within operating revenues in the statement of operations

Reclassifications

Certain reclassifications have been made to the 2011 financial statements to conform to the 2012 financial statement presentation These reclassifications had no effect on the change in net assets

Subsequent Events

Subsequent events have been evaluated through the date of the Independent Accountants' Report, which is the date the financial statements were available to be issued

Note 2: Net Patient Service Revenue

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

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

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

Dependent Hospital (MDH) at September 30, 2012 and 2011. Subsequent to September 30, 2012, SVMC is no longer designated as a MDH. Designation as MDH provided approximately $1,800,000 in additional Medicare funding in 2012 and 2011.

Medicaid. Inpatient, outpatient and skilled nursing services rendered to Medicaid program beneficiaries are reimbursed at prospectively determined rates.

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

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

Patient service revenue, net of contractual allowances and discounts (but before the provision for uncollectible accounts), recognized in the year ended September 30, 2012 and 2011, was approximately:

	2012	2011
Medicare	$ 51,160,000	$ 49,701,000
Medicaid	23,138,000	21,907,000
Other third-party payers	69,461,000	67,933,000
Self-pay	7,891,000	8,254,000
	$ 151,650,000	$ 147,795,000

Note 3: Concentration of Credit Risk

The Corporation grants credit without collateral to its patients, most of whom are area residents and are insured under third-party payer agreements. The mix of net receivables from patients and third-party payers at September 30, 2012 and 2011, is:

	2012	2011
Medicare	33%	27%
Medicaid	6%	9%
Blue Cross	22%	22%
Other third-party payers and patients	39%	42%
	100%	100%

Note 4: Investments and Investment Return

Assets Limited As To Use

Assets limited as to use include

	2012	2011
Cash and short-term investments	$ 1,311,122	$ 3,777,124
Fixed income mutual funds	5,704,469	5,763,850
Investment fund - total return strategies	9,357,151	6,903,175
Equity securities		
Materials	27,699	53,865
Industrials	163,768	181,088
Consumer discretionary	215,054	197,567
Consumer staples	218,417	220,287
Energy	217,562	228,789
Financial institutions	293,162	260,546
Health care	228,142	232,426
Utilities	66,126	67,512
Telecom	60,758	62,982
Information technology	342,382	362,398
Foreign equity mutual funds	11,573,182	5,404,952
Domestic equity mutual funds	13,758,533	13,409,663
Government agency securities	1,758,708	1,674,436
Corporate obligations	375,351	366,536
Balanced mutual funds	8,698,228	6,488,091
Investment fund - Treasury Inflation Protected Securities (TIPS)	6,480,402	4,481,328
	$ 60,850,216	$ 50,136,615

Total investment return is comprised of the following

	2012	2011
Interest and dividend income	$ 1,299,724	$ 1,037,911
Net realized and unrealized gains on investments	6,197,411	389,594
	$ 7,497,135	$ 1,427,505

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

	2012	2011
Other nonoperating income	$ 7,465,118	$ 1,410,107
Temporarily restricted net assets	32,017	17,398
	$ 7,497,135	$ 1,427,505

Alternative Investments

The fair value of alternative investments has been estimated using the net asset value per share of the investments Alternative investments held at September 30 consist of the following

	September 30, 2012			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Investment fund (A)	$ 6,480,402	$ -	Daily	2-day written notice
Investment fund (B)	$ 9,357,151	$ -	Monthly	30-day written notice

	September 30, 2011			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Investment fund (A)	$ 4,481,328	$ -	Daily	2-day written notice
Investment fund (B)	$ 6,903,175	$ -	Monthly	30-day written notice

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

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

Note 5: Property and Equipment

Property and equipment consists of the following at September 30, 2012 and 2011

	2012	2011
Land and land improvements	$ 4,279,160	$ 3,886,017
Buildings and leasehold improvements	50,763,379	50,300,930
Equipment	73,638,250	83,816,989
Construction in progress	285,796	504,539
	128,966,585	138,508,475
Less accumulated depreciation	93,762,859	101,670,126
Property and equipment, net	$ 35,203,726	$ 36,838,349

Note 6: Beneficial Interest in Trust

SVHC is an income beneficiary under a charitable trust administered by an unrelated third-party trustee The beneficial interest in the assets of this trust is included in the financial statements as permanently restricted net assets Income is distributed in accordance with the trust document and is included in temporarily restricted contributions received The estimated value of the expected future cash flows is $1,986,894 and $1,843,150, which represents the fair value of the trust assets at September 30, 2012 and 2011, respectively The distributions received from this trust in 2012 and 2011 were $98,000 and $112,000, respectively

Note 7: Medical Malpractice Claims

MAHC, SVMC, SVHCE and SVHC purchase medical malpractice insurance under a claims-made policy on a fixed premium basis

In 2011, the System adopted the provisions of Accounting Standards Update (ASU) 2010-24, *Health Care Entities (Topic 954) Presentation of Insurance Claims and Related Insurance Recoveries*, which eliminates the practice of netting claim liabilities with expected insurance recoveries for balance sheet presentation Claim liabilities are to be determined without consideration of insurance recoveries Expected recoveries are presented separately Prior to the adoption of ASU 2010-24, accounting principles generally accepted in the United States of America required a health care provider to accrue only an estimate of the malpractice claims costs for both reported claims and claims incurred but not reported where the risk of loss had not been transferred to a financially viable insurer There was no material impact of the ASU adoption to the System's financial statements

Note 8: Long-Term Debt

	2012	2011
Hospital revenue bonds (A)	$ 8,515,000	$ 8,695,000
Capital lease obligations (B)	1,044,790	1,259,845
	9,559,790	9,954,845
Less current maturities	548,369	788,316
Less unamortized discount	118,151	123,484
	$ 8,893,270	$ 9,043,045

(A) In March 2008, SVMC entered into an agreement with the Vermont Educational and Health Building Financing Agency (VEHBFA) to issue $8,865,000 of Hospital Revenue Bonds (Southwestern Vermont Medical Center Project) Series 2008A The bonds bear interest at variable rates based on the daily rate, 0 21% and 0 15% at September 30, 2012 and 2011, respectively, and mature in various amounts beginning October 1, 2010, through October 1, 2038 The bonds are secured by the gross revenues of SVMC and SVHC (the "Obligated Group")

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

Upon issuance and delivery of the 2008 Revenue Bonds SVMC defeased its outstanding 2005 bonds

The interest rate on the Series 2008A Bonds is based on a daily rate at September 30, 2012 and 2011 SVHC maintains a letter-of-credit facility that permits the trustee to draw an amount up to the principal amount outstanding should the bonds not be remarketed and become due The letter of credit, which expires on March 31, 2018, can be used to pay principal and interest on the 2008 bonds Amounts drawn under the letter of credit will bear an interest rate of prime plus 2% Scheduled maturities do not change if the letter of credit is drawn upon The letter of credit is renewable, subject to trustee approval, throughout the term of the Series 2008A Bonds

(B) Various capital lease agreements, which require monthly payments at interest rates ranging from 2 65% - 11 39% Agreements are due through 2017, secured by equipment

Property and equipment include the following property under capital leases

	2012	2011
Equipment	$ 6,306,654	$ 5,854,154
Less accumulated depreciation	4,595,188	3,696,979
	$ 1,711,466	$ 2,157,175

Aggregate annual maturities and sinking fund requirements of long-term debt and payments on capital lease obligations at September 30, 2012, are

	Long-Term Debt (Excluding Capital Lease Obligations)	Capital Lease Obligations
2013	$ 185,000	$ 409,189
2014	195,000	291,731
2015	200,000	303,805
2016	210,000	121,254
2017	215,000	26,565
Thereafter	7,510,000	-
	$ 8,515,000	1,152,544
Less amount representing interest		107,754
Present value of future minimum lease payments		1,044,790
Less current maturities		363,369
Noncurrent portion		$ 681,421

Note 9: Interest Rate Swap Agreement

As a strategy to maintain acceptable levels of exposure to the risk of changes in future cash flows due to interest rate fluctuations, the Hospital entered into an interest rate swap agreement for a portion of its floating rate debt The agreement provides for the Hospital to receive interest from the counterparty at 68% of LIBOR and to pay interest to the counterparty at a fixed rate of 3 167% on notional amounts of $8,515,000 and $8,695,000 at September 30, 2012 and 2011, respectively Under the agreement, the Hospital pays or receives the net interest amount monthly, with the monthly settlements included in interest expense

Management has not designated the interest rate swap agreement as a hedging instrument As a result, the agreement is recorded at fair value with subsequent changes in fair value included in excess of revenues over expenses The fair value of the swap at September 30, 2012 and 2011, was $(1,841,596) and $(1,721,508), respectively, and is recorded in long-term liabilities The loss recognized as a component of excess of revenues over expenses at September 30, 2012 and 2011, was $(120,088) and $(426,924), respectively

Note 10: Temporarily and Permanently Restricted Net Assets

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

	2012	2011
Health care services	$ 2,244,728	$ 2,031,534
Other	88,367	179,417
	$ 2,333,095	$ 2,210,951

Permanently restricted net assets are restricted to

	2012	2011
Investments to be held in perpetuity, the income is unrestricted	$ 8,204,220	$ 7,004,220
Investments to be held in perpetuity, the income is temporarily restricted	2,169,185	2,043,550
	$ 10,373,405	$ 9,047,770

During 2012 and 2011, net assets were released from donor restrictions by incurring expenses, satisfying the restricted purposes in the amounts of $653,645 and $603,540, respectively During 2012 and 2011, net assets of $282,231 and $74,329, respectively, were released to purchase equipment

Note 11: Endowment

The Corporation's endowment consists of various individual donor-restricted funds which were established for general operational and certain departmental purposes As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds, including board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions

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

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

Changes in endowment net assets for the years ended September 30, 2012 and 2011, were

	2012 Temporarily Restricted	2012 Permanently Restricted	2012 Total
Endowment net assets, beginning of year	$ 1,921,593	$ 9,047,770	$ 10,969,363
Investment return and net depreciation	2,784	143,744	146,528
Contributions and reclassifications	1,032,045	1,181,891	2,213,936
Appropriation of endowment assets for expenditure	(790,712)	-	(790,712)
Endowment net assets, end of year	$ 2,165,710	$ 10,373,405	$ 12,539,115

	2011 Temporarily Restricted	2011 Permanently Restricted	2011 Total
Endowment net assets, beginning of year	$ 1,732,529	$ 8,901,217	$ 10,633,746
Investment return and net depreciation	1,264	(141,556)	(140,292)
Contributions	835,148	288,109	1,123,257
Appropriation of endowment assets for expenditure	(647,348)	-	(647,348)
Endowment net assets, end of year	$ 1,921,593	$ 9,047,770	$ 10,969,363

The Corporation has adopted investment and spending policies in place for endowment assets that attempt to provide a predictable stream of funding to programs and other items supported by its endowment while seeking to maintain the purchasing power of the endowment Under the Corporation's policies, the primary investment goal is growth in the endowment accounts The Corporation expects its endowment funds to provide an average rate of return that exceeds benchmark returns indicated for various asset classes Actual returns in any given year may vary

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

Note 12: Charity Care

The Corporation provides services without charge or at amounts less than its established rates, to patients who meet the criteria of its charity care policy Charity Care is granted on a sliding scale based on gross income and family size as compared to the federal poverty guidelines The estimated cost of charity care, which is estimated based on overall cost to charge ratios, was approximately $1,059,000 and $1,540,000 in 2012 and 2011, respectively

Note 13: Functional Expenses

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

	2012	2011
Health care services	$136,957,880	$127,466,989
General and administrative	12,358,052	12,330,037
	$149,315,932	$139,797,026

Note 14: Pension Plans

Defined Benefit Pension Plan

The Corporation participates in a defined benefit pension plan covering all employees who meet the eligibility requirements The Corporation's funding policy is to make the maximum annual contribution allowable by applicable regulations, plus such amounts as the Corporation may deem to be appropriate from time to time The Corporation expects to contribute $3,600,000 to the plan in 2013 The plan was frozen effective September 30, 2009

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

	2012	2011
Change in benefit obligations		
Beginning of the year	$ 78,631,128	$ 74,256,797
Interest cost	4,058,254	3,984,847
Actuarial loss	17,631,111	3,013,252
Benefits paid	(2,710,228)	(2,623,768)
End of the year	97,610,265	78,631,128
Change in fair value of plan assets		
Beginning of the year	62,637,137	59,925,102
Actual return on plan assets	10,307,001	5,335,803
Employer contributions	2,700,000	-
Benefits paid	(2,710,228)	(2,623,768)
End of the year	72,933,910	62,637,137
Funded status at the end of the year (noncurrent liability)	$(24,676,355)	$(15,993,991)

The accumulated benefit obligation was $97,610,265 and $78,631,128 for 2012 and 2011, respectively

Other significant balances and costs are

	2012	2011
Employer contributions	$ 2,700,000	$ -
Benefits paid	$ 2,710,228	$ 2,623,768
Benefit costs	$ 23,420	$ 261,838

Amounts recognized in unrestricted net assets and not yet recognized as components of net periodic benefit cost consist of a net actuarial loss of $31,755,621 and $20,396,677 for 2012 and 2011, respectively

The following amounts have been recognized in the statements of operations and changes in net assets for the years ended September 30, 2012 and 2011

	2012	2011
Amounts arising during the period		
Net loss	$(11,808,786)	$ (1,942,579)
Amounts reclassified as components of net periodic benefit cost of the period		
Net loss	$ 449,877	$ 542,121

The estimated net loss that will be amortized from unrestricted net assets into net periodic benefit cost over the next fiscal year is $811,010

Significant assumptions include

	2012	2011
Weighted average assumptions used to determine benefit obligations		
Discount rate	3 85%	5 25%
Rate of compensation increase	-	-
Weighted average assumptions used to determine benefit costs		
Discount rate	5 25%	5 50%
Expected return on plan assets	7 25%	7 25%
Rate of compensation increase	-	-

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid as of September 30, 2012

2013	$ 2,783,974
2014	3,075,979
2015	3,285,885
2016	3,491,720
2017	3,859,288
2018 - 2022	24,208,163

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

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

Defined Benefit Pension Plan Assets

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

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

The fair values of the Corporation's pension plan assets at September 30, 2012 and 2011, by asset class are as follows

		2012 Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash equivalents	$ 573,939	$ 573,939	$ -	$ -
Equity mutual funds	47,042,306	47,042,306	-	-
Fixed income mutual funds	8,294,166	8,294,166	-	-
Investment fund - total return strategies	6,257,904	-	-	6,257,904
Balanced mutual funds	10,765,595	10,765,595	-	-

		2011 Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash equivalents	$ 649,342	$ 649,342	$ -	$ -
Equity mutual funds	34,987,856	34,987,856	-	-
Fixed income mutual funds	12,825,534	12,825,534	-	-
Investment fund - total return strategies	5,928,795	-	-	5,928,795
Balanced mutual funds	8,245,610	8,245,610	-	-

The following is a reconciliation of the beginning and ending balances of recurring fair value measurements recognized in the accompanying balance sheets using significant unobservable (Level 3) inputs

	Investment Fund - Total Return Strategies	
	2012	2011
Balance, beginning of year	$ 5,928,795	$ -
Purchases	-	5,979,082
Actual return on plan assets relating to assets still held at year end	329,109	(50,287)
Balance, end of year	$ 6,257,904	$ 5,928,795

Plan assets are held by a bank-administered trust fund, which invests the plan assets in accordance with the provisions of the plan agreement The plan agreements permit investment in common stocks, corporate bonds and debentures, U S government securities and certain other specified investments, based on certain target allocation percentages

Defined Contribution Pension Plan

During 2010, the Corporation established a defined contribution 403(b) pension plan covering substantially all employees The Corporation matches the first 3% of employee compensation plus 50% of employee contributions between 3% and 5% Pension expense for 2012 and 2011 was approximately $1,600,000 and $1,520,000, respectively, for this plan

Deferred Compensation Plan

The Corporation funds a deferred compensation plan for the benefit of certain physicians and senior executives The trust account assets are classified as other assets and a corresponding deferred compensation obligation is recorded in the amount of $901,124 and $1,413,516 at September 30, 2012 and 2011, respectively

Note 15: Asset Retirement Obligation

Accounting principles generally accepted in the United States of America require that an asset retirement obligation (ARO) associated with the retirement of a tangible long-lived asset be recognized as a liability in the period in which it is incurred or becomes determinable (as defined by the standard) even when the timing and/or method of settlement may be conditional on a future event The Corporation's conditional asset retirement obligations primarily relate to asbestos contained in buildings that the Corporation owns Environmental regulations exist that require the

Corporation to handle and dispose of asbestos in a special manner if a building undergoes major renovations or is demolished A liability of $1,095,600 and $1,043,761 has been recognized for all significant known areas containing an ARO at September 30, 2012 and 2011, respectively

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

Note 16: Disclosures About Fair Value of Assets and Liabilities

ASC Topic 820, *Fair Value Measurements*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date Topic 820 also specifies 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 in active markets for identical assets or liabilities

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

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

Investments and Deferred Compensation Plan Assets

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy Level 1 securities include money market accounts and mutual funds If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows Pricing models are based on quoted prices for securities with similar coupons, ratings and maturities, rather than on specific bids and offers for a designated security The fair value for the Level 2 investment fund is determined using the net asset value expedient Level 2 securities include certain fixed income securities and investment funds In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy Level 3 securities include investment funds Level 3 fair values were determined using the net asset value expedient

Interest Rate Swap Agreement

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

Beneficial Interest in Perpetual Trust

Fair value is estimated at the present value of the future distributions expected to be received over the term of the agreement Due to the nature of the valuation inputs, the interest is classified within Level 3 of the hierarchy

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying balance sheets measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at September 30, 2012 and 2011

		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
		2012		
Cash equivalents	$ 1,311,122	$ 1,311,122	$ -	$ -
Equities, equity mutual funds and balanced funds	35,863,013	35,863,013	-	-
Fixed income securities and mutual funds	7,838,528	5,704,469	2,134,059	-
Investment fund - total return strategies	9,357,151	-	-	9,357,151
Beneficial interest in perpetual trust	1,986,894	-	-	1,986,894
Interest rate swap agreement	(1,841,596)	-	(1,841,596)	-
Deferred compensation plan assets (equity and fixed income mutual funds)	901,124	901,124	-	-
Investment fund - Treasury Inflation Protected Securities (TIPS)	6,480,402	-	6,480,402	-
		2011		
Cash equivalents	$ 3,777,124	$ 3,777,124	$ -	$ -
Equities and equity mutual funds and balanced funds	27,170,166	27,170,166	-	-
Fixed income securities and mutual funds	7,804,822	5,763,850	2,040,972	-
Investment fund - total return strategies	6,903,175	-	-	6,903,175
Beneficial interest in perpetual trust	1,843,150	-	-	1,843,150
Interest rate swap agreement	(1,721,508)	-	(1,721,508)	-
Deferred compensation plan assets (equity and fixed income mutual funds)	1,413,516	1,413,516	-	-
Investment fund - Treasury Inflation Protected Securities (TIPS)	4,481,328	-	4,481,328	-

The following is a reconciliation of the beginning and ending balances of recurring fair value measurements recognized in the accompanying balance sheets using significant unobservable (Level 3) inputs

	Beneficial Interest in Perpetual Trust	
	2012	2011
Balance, beginning of year	$ 1,843,150	$ 1,984,706
Total included in change in net assets reported in the statements of changes in net assets	143,744	(141,556)
Balance, end of year	$ 1,986,894	$ 1,843,150

	Investment Fund - Total Return Strategies	
	2012	2011
Balance, beginning of year	$ 6,903,175	$ -
Purchases	1,934,974	6,979,050
Total included in change in net assets reported in the statements of changes in net assets	519,002	(75,875)
Balance, end of year	$ 9,357,151	$ 6,903,175

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

Cash and Cash Equivalents

The carrying amount approximates fair value

Long-Term Debt

Fair value is estimated based on the borrowing rates currently available to the Corporation for bank loans with similar terms and maturities

The following table presents estimated fair values of the Corporation's financial instruments at September 30, 2012 and 2011

	2012		2011	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash and equivalents	$ 11,080,538	$ 11,080,538	$ 13,687,173	$ 13,687,173
Financial Liabilities				
Long-term debt	9,441,639	9,441,639	9,831,361	9,831,361

Note 17: Related Parties

Dartmouth-Hitchcock Health

Effective July 1, 2012, the Corporation and Dartmouth-Hitchcock Health (DHH) entered into an Affiliation Agreement, and the first common project under this Agreement is the integration of the professional medical services of the Corporation and DHH The Corporation reimburses DHH for certain professional medical services under a Professional Services Agreement During 2012, the Corporation paid approximately $5,000,000 to DHH for professional medical services Subsequent to the integration, the Corporation continues to provide the physician clinic services as well as bill and collect for these services, and DHH is reimbursed for providing the professional medical staff in accordance with the terms of the Professional Services Agreement

Taconic Orthopaedics, P.C.

Effective December 10, 2011, the Corporation entered into a Professional Services Agreement with Taconic Orthopaedics, P C (Taconic) for professional medical services The Corporation reimburses Taconic for certain professional medical services under a Professional Services Agreement During 2012, the Corporation paid approximately $2,200,000 to Taconic for professional medical services Subsequent to December 10, 2011, the Corporation provides orthopaedic medical services and bills and collects for these services, and Taconic is reimbursed for providing the professional medical staff in accordance with the terms of the Professional Services Agreement

United Health Alliance

SVHC is a member of the United Health Alliance (UHA), a corporation organized for the purpose of providing for health care delivery under a managed care system in and around the Bennington, Vermont, area SVMC leases space to UHA, provides payroll services and administers employee benefits for UHA During 2012 and 2011, SVMC charged UHA approximately $344,000 and $213,000, respectively, for these services

UHA charges SVMC for services provided under a hospital service agreement The total amount charged for these services was approximately $11,000 and $23,000 for 2012 and 2011, respectively

Note 18: Fair Value Option

As permitted by Topic 825, the Corporation has elected to measure the investment funds, included in assets limited as to use, at fair value Management has elected the fair value option for these items because it more accurately reflects the portfolio returns and financial position of the Corporation Total investment funds at September 30, 2012 and 2011, are $15,837,553 and $11,384,503, respectively

See *Note 16* for additional disclosures regarding fair value of the balance sheet line items listed in the preceding paragraph

Note 19: Significant Estimates and Concentrations

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

Allowance for Net Patient Service Revenue Adjustments

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

Self-Insurance Costs

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

Medical Malpractice Claims

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

Litigation

In the normal course of business, the Corporation is, from time to time, subject to allegations that may or do result in litigation Some of these allegations are in areas not covered by the Corporation's self-insurance program (discussed elsewhere in these notes) or by commercial insurance, for example, allegations regarding employment practices or performance of contracts

The Corporation evaluates such allegations by conducting investigations to determine the validity of each potential claim Based upon the advice of counsel, management records an estimate of the amount of ultimate expected loss, if any, for each of these matters Events could occur that would cause the estimate of ultimate loss to differ materially in the near term

Asset Retirement Obligation

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

Pension Benefit Obligations

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

Investments

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

Current Economic Conditions

The current protracted economic decline continues to present hospitals with difficult circumstances and challenges, which in some cases have resulted in large and unanticipated declines in the fair value of investments and other assets, large declines in contributions, constraints on liquidity and difficulty obtaining financing The financial statements have been prepared using values and information currently available to the Corporation

Current economic conditions, including the rising unemployment rate, have made it difficult for certain of our patients to pay for services rendered As employers make adjustments to health insurance plans, services provided to self-pay and other payers may significantly impact net patient service revenue, which could have an adverse impact on the Corporation's future operating results Further, the effect of economic conditions on the state may have an adverse effect on cash flows related to the Medicaid program

Given the volatility of current economic conditions, the values of assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments in investment values including defined benefit pension plan investments and allowances for accounts receivable that could negatively impact the Corporation's ability to meet debt covenants or maintain sufficient liquidity

Supplementary Information

Southwestern Vermont Health Care Corporation

Consolidating Schedule – Balance Sheet Information

September 30, 2012

Assets

	SVHC	SVMC	Obligated Group Eliminations	Obligated Group Total	MAHC	SVHCA	SVHCE	Eliminations	Consolidated
Current Assets									
Cash and cash equivalents	$ 258.783	$ 9.901.504	$ -	$ 10.160.287	$ 767.139	$ 148.755	$ 4.357	$ -	$ 11.080.538
Patient accounts receivable, net of allowance - $9.550.000	-	11.439.168	-	11.439.168	1.297.647	-	-	-	12.736.815
Other receivables	320.478	1.601.151	-	1.921.629	-	15.467	-	-	1.937.096
Supplies	-	2.381.673	-	2.381.673	31.335	33.329	-	-	2.446.337
Prepaid expenses and other	148.852	1.781.231	-	1.930.083	111.394	-	-	-	2.041.477
Total current assets	728.113	27.104.727	-	27.832.840	2.207.515	197.551	4.357	-	30.242.263
Assets Limited As To Use									
Internally designated	49.745.573	4.765.706	(4.765.706)	49.745.573	1.122.317	-	-	(1.122.317)	49.745.573
Externally restricted	10.702.517	402.126	-	11.104.643	-	-	-	-	11.104.643
	60.448.090	5.167.832	(4.765.706)	60.850.216	1.122.317	-	-	(1.122.317)	60.850.216
Property and Equipment, At Cost									
Land and land improvements	1.254.958	2.937.340	-	4.192.298	86.862	-	-	-	4.279.160
Buildings and leasehold improvements	13.479.021	30.245.712	-	43.724.733	7.010.009	27.537	1.100	-	50.763.379
Equipment	998.331	70.162.382	-	71.160.713	2.390.110	25.334	62.093	-	73.638.250
Construction in progress	194.936	82.010	-	276.946	8.850	-	-	-	285.796
	15.927.246	103.427.444	-	119.354.690	9.495.831	52.871	63.193	-	128.966.585
Less accumulated depreciation	8.666.215	78.492.785	-	87.159.000	6.501.529	43.276	59.054	-	93.762.859
	7.261.031	24.934.659	-	32.195.690	2.994.302	9.595	4.139	-	35.203.726
Due from Affiliates	62.613	697.918	(241.876)	518.655	44.773	274.822	-	(838.250)	-
Other Assets									
Beneficial interest in perpetual trust	1.986.894	-	-	1.986.894	-	-	-	-	1.986.894
Deferred compensation plan assets	904.388	-	-	904.388	-	-	-	-	904.388
Other	91.021	-	-	91.021	129.720	-	-	-	220.741
	2.982.303	-	-	2.982.303	129.720	-	-	-	3.112.023
Total assets	$ 71.482.150	$ 57.905.136	$ (5.007.582)	$ 124.379.704	$ 6.498.627	$ 481.968	$ 8.496	$ (1.960.567)	$ 129.408.228

Southwestern Vermont Health Care Corporation

Consolidating Schedule – Balance Sheet Information

September 30, 2012

Liabilities and Net Assets

	SVHC	SVMC	Obligated Group Eliminations	Obligated Group Total	MAHC	SVHCA	SVHCE	Eliminations	Consolidated
Current Liabilities									
Current maturities of long-term debt	$ -	$ 546 007	$ -	$ 546 007	$ 2 362	$ -	$ -	$ -	$ 548 369
Accounts payable	302 939	6 333 015	-	6 635 954	195 893	14 518	-	-	6 846 365
Accrued expenses	174 736	4 873 465	-	5 048 201	556 063	-	-	-	5 604 264
Estimated amounts due to third-party payers	-	1 368 072	-	1 368 072	-	-	-	-	1 368 072
Estimated self-insurance costs	69 126	1 173 758	-	1 242 884	103 515	-	-	-	1 346 399
Other	67 344	139 691	-	207 035	50 166	16 042	253		273 496
Total current liabilities	614 145	14 434 008	-	15 048 153	907 999	30 560	253	-	15 986 965
Long-Term Debt	-	8 886 874	-	8 886 874	6 396	-	-		8 893 270
Asset Retirement Obligations	-	1 095 600	-	1 095 600	-	-	-	-	1 095 600
Accrued Pension Liabilities	349 593	23 056 840	-	23 406 433	1 269 922	-	-	-	24 676 355
Deferred Compensation	901 124	-	-	901 124	-	-	-	-	901 124
Due To Affiliates	6 449 496	-	(5 007 582)	1 441 914	175 494	16 569	326 590	(1 960 567)	-
Interest Rate Swap Agreement	-	1 841 596	-	1 841 596	-	-	-	-	1 841 596
Other Liabilities	87 048	-	-	87 048	-	-	-	-	87 048
Total liabilities	8 401 406	49 314 918	(5 007 582)	52 708 742	2 359 811	47 129	326 843	(1 960 567)	53 481 958
			-						
Net Assets									
Unrestricted	50 374 244	8 590 218	-	58 964 462	4 138 816	434 839	(318 347)	-	63 219 770
Temporarily restricted	2 333 095	-	-	2 333 095	-	-	-	-	2 333 095
Permanently restricted	10 373 405	-	-	10 373 405	-	-	-	-	10 373 405
Total net assets	63 080 744	8 590 218	-	71 670 962	4 138 816	434 839	(318 347)	-	75 926 270
Total liabilities and net assets	$ 71 482 150	$ 57 905 136	$ (5 007 582)	$ 124 379 704	$ 6 498 627	$ 481 968	$ 8 496	$ (1 960 567)	$ 129 408 228

Southwestern Vermont Health Care Corporation

Consolidating Schedule – Statement of Operations Information

Year Ended September 30, 2012

	SVHC	SVMC	Obligated Group Eliminations	Obligated Group Total	MAHC	SVHCA	SVHCE	Eliminations	Consolidated
Unrestricted Revenues, Gains and Other Support									
Net patient service revenue	$ -	$ 141 478 856	$ (1 206)	$ 141 477 650	$ 10 297 387	$ -	$ -	$ (124 586)	$ 151 650 451
Provision for uncollectible accounts	-	(4 873 852)	-	(4 873 852)	(209 491)	-	-	-	(5 083 343)
Net patient service revenue less provision for uncollectible accounts	-	136 605 004	(1 206)	136 603 798	10 087 896	-	-	(124 586)	146 567 108
Other	2 936 597	4 562 038	(1 571 566)	5 927 069	(16 226)	363 173	2 003	(486 997)	5 789 022
Net assets released from restrictions used for operations	653 645	-	-	653 645	-	-		-	653 645
Total unrestricted revenues gains and other support	3 590 242	141 167 042	(1 572 772)	143 184 512	10 071 670	363 173	2 003	(611 583)	153 009 775
Expenses and Losses									
Salaries and wages	958 151	58 455 897	-	59 414 048	5 842 223	96 041	-	-	65 352 312
Employee benefits	225 341	12 711 679	-	12 937 020	1 387 903	46 199	-	-	14 371 122
Purchased services	-	16 629 154	(3 565)	16 625 589	991 072	103 380	-	(547 843)	17 172 198
Supplies and other	2 259 083	42 150 966	(1 731 192)	42 678 857	2 235 077	127 483	606	(63 740)	44 978 283
Depreciation and amortization	605 688	6 161 006	-	6 766 694	277 694	3 252	3 159	-	7 050 799
Interest	-	390 095	-	390 095	1 123	-	-	-	391 218
Total expenses and losses	4 048 263	136 498 797	(1 734 757)	138 812 303	10 735 092	376 355	3 765	(611 583)	149 315 932
Operating Income (Loss)	(458 021)	4 668 245	161 985	4 372 209	(663 422)	(13 182)	(1 762)	-	3 693 843
Other Income (Expense)									
Investment return	6 626 987	696 639	-	7 323 626	102 399	39 093	-	-	7 465 118
Change in fair value of interest rate swap agreement	-	(120 088)	-	(120 088)	-	-	-	-	(120 088)
Contributions	315 514	161 936	(161 985)	315 465	-	11 856	-	-	327 321
Total other income (expense)	6 942 501	738 487	(161 985)	7 519 003	102 399	50 949	-	-	7 672 351
Excess (Deficiency) of Revenues Over Expenses	6 484 480	5 406 732	-	11 891 212	(561 023)	37 767	(1 762)	-	11 366 194
Net assets released from restriction used for purchase of property and equipment	282 231	-	-	282 231	-	-	-	-	282 231
Defined benefit pension costs									
Net loss arising during the period	(30 885)	(11 527 914)	-	(11 558 799)	(249 987)	-	-	-	(11 808 786)
Amortization of net loss included in net periodic pension cost	6 373	420 352	-	426 725	23 152	-	-	-	449 877
Other	18 109	-	-	18 109	-	-	-	-	18 109
Transfer (to) from affiliates, net	4 986 074	(5 030 846)	-	(44 772)	44 772	-	-	-	-
Increase (Decrease) in Unrestricted Net Assets	$ 11 746 382	$ (10 731 676)	$ -	$ 1 014 706	$ (743 086)	$ 37 767	$ (1 762)	$ -	$ 307 625

Southwestern Vermont Health Care Corporation

Consolidating Schedule – Statement of Changes in Net Assets Information

Year Ended September 30, 2012

	SVHC	SVMC	Obligated Group Eliminations	Obligated Group Total	MAHC	SVHCA	SVHCE	Eliminations	Consolidated
Unrestricted Net Assets									
Excess (deficiency) of revenues over expenses	$ 6 484 480	$ 5 406 732	$ -	$ 11 891 212	$ (561 023)	$ 37 767	$ (1 762)	$ -	$ 11 366 194
Net assets released from restriction used for purchase of property and equipment	282 231	-	-	282 231	-	-	-	-	282 231
Defined benefit pension costs									
Net loss arising during the period	(30 885)	(11 527 914)	-	(11 558 799)	(249 987)	-	-	-	(11 808 786)
Amortization of net loss included in net periodic pension cost	6 373	420 352	-	426 725	23 152	-	-	-	449 877
Other	18 109	-	-	18 109	-	-	-	-	18 109
Transfer (to) from affiliates, net	4 986 074	(5 030 846)	-	(44 772)	44 772	-	-	-	-
Increase (decrease) in unrestricted net assets	11 746 382	(10 731 676)	-	1 014 706	(743 086)	37 767	(1 762)	-	307 625
Temporarily Restricted Net Assets									
Contributions received	1 026 003	-	-	1 026 003	-	-	-	-	1 026 003
Investment return	32 017	-	-	32 017	-	-	-	-	32 017
Net assets released from restriction	(935 876)	-	-	(935 876)	-	-	-	-	(935 876)
Increase in temporarily restricted net assets	122 144	-	-	122 144	-	-	-	-	122 144
Permanently Restricted Net Assets									
Contributions received	1 200 000	-	-	1 200 000	-	-	-	-	1 200 000
Change in beneficial interest in trust	143 744	-	-	143 744	-	-	-	-	143 744
Other	(18 109)	-	-	(18 109)	-	-	-	-	(18 109)
Increase in permanently restricted net assets	1 325 635	-	-	1 325 635	-	-	-	-	1 325 635
Change in Net Assets	13 194 161	(10 731 676)	-	2 462 485	(743 086)	37 767	(1 762)	-	1 755 404
Net Assets, Beginning of Year	49 886 583	19 321 894	-	69 208 477	4 881 902	397 072	(316 585)	-	74 170 866
Net Assets, End of Year	$ 63 080 744	$ 8 590 218	$ -	$ 71 670 962	$ 4 138 816	$ 434 839	$ (318 347)	$ -	$ 75 926 270

Additional Data

Software ID:
Software Version:
EIN: 22-2563241
Name: SOUTHWESTERN VERMONT MEDICAL CENTER

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(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			
DONALD ALBANO TRUSTEE	1 0	X						0	0	0
MICHAEL E BRADY DDS CHAIR	1 0	X		X				0	0	0
SEAN L CASEY SECRETARY	1 0	X		X				0	0	0
LODIE COLVIN TRUSTEE	1 0	X						0	0	0
TOMMY A HARMON JR TRUSTEE, ENDING 9/12	1 0	X						0	0	0
TIMOTHY T HOLBROOK TRUSTEE	1 0	X						0	0	0
WAYNE M KACHMAR VICE CHAIR	1 0	X		X				0	0	0
HOWARD MCNALLY TRUSTEE, ENDING 1/12	1 0	X						0	0	0
WILLIAM TOCK MD PRES MED STAFF, ENDING 3/12	1 0	X						247,209	0	57,907
ERIC SEYFERTH MD UHA CHAIR	1 0	X						49,565	0	0
THOMAS DEE CEO	40 0	X		X				469,383	0	37,955
MARK WALLACE TRUSTEE	1 0	X						0	0	0
CLAIRE MURRAY RN TRUSTEE	1 0	X						0	0	0
KEVIN DAILEY TRUSTEE	1 0	X						0	0	0
MARNY KRAUSE TRUSTEE	1 0	X						0	0	0
DAVID MEISELMAN ESQ TRUSTEE	1 0	X						0	0	0
PHILIP MARTINEZ TRUSTEE	1 0	X						0	0	0
MAE D'AGOSTINO TRUSTEE, BEGINNING 9/12	1 0	X						0	0	0
WILLIAM SARCHINO DPM PRES MED STAFF, BEGINNING 3/12	1 0	X						0	0	0
STEPHEN D MAJETICH CFO	40 0			X				287,427	0	27,273
MARK DONAVAN MD CMO	40 0			X				289,551	0	11,826
DIANNE PROBOLA VP OF OPERATIONS	40 0				X			209,194	0	99,945
BRIAN DONNELLY VP MEDICAL GROUP	40 0				X			219,241	0	24,187
CAROL CONROY VP NURSING	40 0				X			211,854	0	431
ORION HOWARD MD PHYSICIAN	40 0					X		448,267	0	28,029

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(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			
CHARLENE IVES MD PHYSICIAN	40 0					X		355,063	0	26,005
CHARLES SALEM MD PHYSICIAN	40 0					X		484,467	0	15,064
RONALD MENSH MD PHYSICIAN	40 0					X		418,245	0	35,581
ANTHONY DONALDSON MD PHYSICIAN	40 0					X		339,137	0	35,545
HARVEY YORKE FORMER CEO	40 0						X	159,987	0	83,650