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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

2012

Open to Public Inspection

A For the 2012 calendar year, or tax year beginning 10-01-2012 , 2012, and ending 09-30-2013

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

C Name of organization
CENTRAL VERMONT MEDICAL CENTER INC

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
130 FISHER ROAD
Suite

City or town, state or country, and ZIP + 4
BERLIN, VT 05602

D Employer identification number
22-2547186

E Telephone number
(802) 371-4100

G Gross receipts $ 163,932,298

F Name and address of principal officer
Ms Judith Tarr Tartaglia
130 Fisher Road
Berlin, VT 05602

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 CVMC ORG

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1963

M State of legal domicile VT

Part I Summary

1 Briefly describe the organization's mission or most significant activities
WE WORK COLLABORATIVELY TO MEET THE NEEDS AND IMPROVE THE HEALTH OF THE RESIDENTS OF CENTRAL VERMONT

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

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	18
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	14
5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	**5**	1,722
6	Total number of volunteers (estimate if necessary)	**6**	175
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	1,834
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	466,528	674,022
9	Program service revenue (Part VIII, line 2g)	154,567,535	157,838,011
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	801,481	1,215,786
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	2,162,914	2,508,555
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	157,998,458	162,236,374
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	70,800	64,500
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)	97,785,919	102,707,632
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶16,745		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	54,177,172	57,299,212
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	152,033,891	160,071,344
19	Revenue less expenses Subtract line 18 from line 12	5,964,567	2,165,030

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	150,979,001	148,101,144
21	Total liabilities (Part X, line 26)	91,502,204	65,624,375
22	Net assets or fund balances Subtract line 21 from line 20	59,476,797	82,476,769

Part II Signature Block

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

Sign Here

Signature of officer — Date: 2014-08-07

CHEYENNE HOLLAND CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name ▶ ERNST & YOUNG US LLP			Firm's EIN ▶	
Firm's address ▶ 55 IVAN ALLEN BLVD SUITE 1000 ATLANTA, GA 30308			Phone no (404) 874-8300	

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

CENTRAL VERMONT MEDICAL CENTER TRUSTEES AND ITS STAFF ARE COMMITTED TO PROVIDING EXCELLENT CARE TO CENTRAL VERMONTERS TO STAY ABREAST OF BEST PRACTICES, CVMC COLLABORATES WITH MANY HEALTHCARE ENTITIES TO ENSURE THIS COMMITMENT PARTICIPATING IN THE JOINT COMMISSION ACCREDITATIONS PROCESS IS ONE MEASURE OF HOW CVMC CONTINUOUSLY STRIVES TO IMPROVE THE SAFETY AND QUALITY OF CARE PROVIDED TO ITS PATIENTS THE HOSPITAL AND THE PHYSICIAN PRACTICE GROUPS (CVMGP, CENTRAL VERMONT MEDICAL GROUP PRACTICES) WERE ACCREDITED IN JANUARY 2013 FOR A THREE YEAR PERIOD JOINT COMMISSION ACCREDITATION IS THE EQUIVALENT OF THE GOOD HOUSEKEEPING "SEAL OF APPROVAL" FOR MEDICAL CENTERS THE JOINT COMMISSION EVALUATES THE QUALITY AND SAFETY OF CARE PROVIDED BY HEALTH CARE ORGANIZATIONS TO EARN AND MAINTAIN ACCREDITATION, ORGANIZATIONS MUST HAVE AN EXTENSIVE ON-SITE REVIEW BY A TEAM OF JOINT COMMISSION HEALTH CARE PROFESSIONALS AT LEAST ONCE EVERY THREE YEARS THE PURPOSE OF THE REVIEW IS TO EVALUATE THE ORGA

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 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 $ 108,228,038 including grants of $ 64,500) (Revenue $ 121,697,769)

HOSPITAL SERVICES, INPATIENT SERVICES CVMC HAS 122 LICENSED BEDS TO PROVIDE FOR A FULL SPECTRUM OF INPATIENT CARE SERVICES DURING FY 2012 WE HAD 17,757 INPATIENT DAYS WITH OVER 126,000 INPATIENT ANCILLARY SERVICE UNITS INCLUDING 3,714 RADIOLOGY PROCEDURES, 603 SURGERIES, 68,740 LAB TESTS, 18,977 RESPIRATORY PROCEDURES AND 6,912 UNITS OF PHYSICAL, OCCUPATIONAL AND SPEECH THERAPY OUTPATIENT ANCILLARY SERVICE UNITS TOTALED OVER 583,000 INCLUDING 23,001 RADIOLOGY PROCEDURES, 419,287 LAB TESTS, 10,528 CARDIOLOGY TESTS, AND 92,435 UNITS OF PHYSICAL, OCCUPATIONAL AND SPEECH THERAPY EMERGENCY DEPARTMENT THE ER IS OPEN 24 HOURS A DAY 365 DAYS A YEAR THE NUMBER OF PATIENTS SEEN IN THE ER IN FY 12 WAS 28,390 THE CANCER TREATMENT CENTER PROVIDED 5,193 ONCOLOGY AND RADIATION TREATMENTS THE HOSPITAL ALSO HAS BEEN ACTIVE IN ITS OUTREACH TO CENTRAL VERMONT'S UNINSURED AND UNDER INSURED RESIDENTS

4b (Code) (Expenses $ 27,396,253 including grants of $ 0) (Revenue $ 24,140,795)

MEDICAL GROUP PRACTICES BY THE END OF THE FISCAL YEAR WE HAD 20 PRIMARY CARE, INFIRMARY, AND SPECIALTY PRACTICES THAT GENERATED 155,331 VISITS SERVICES INCLUDED 8 PRIMARY AND FAMILY CARE CLINICS, 2 PEDIATRIC CLINICS, AS WELL AS SPECIALTY CLINICS FOR UROLOGY, RHEUMATOLOGY, PSYCHOLOGY, AND OBSTETRIC/ GYNECOLOGY IN ADDITION TO PROVIDING DIRECT PATIENT CARE AND IN FURTHERANCE OF ITS EXEMPT PURPOSE, CVMC PROVIDES NUMEROUS OTHER SERVICES FREE OF CHARGE TO THE COMMUNITY THESE SERVICES INCLUDE HEALTH CARE SCREENINGS, COMMUNITY SUPPORT GROUPS, HEALTH EDUCATIONAL PROGRAMS, AND PHYSICIAN STAFF SERVICES TO THE COMMUNITY AND OTHER NON-PROFIT AGENCIES CVMC CONTINUES TO RECRUIT PHYSICIANS TO ENSURE CONTINUITY OF PRIMARY AND SPECIALTY CARE FOR ITS CENTRAL VERMONT HEALTHCARE COMMUNITY

4c (Code) (Expenses $ 14,451,196 including grants of $ 0) (Revenue $ 14,262,729)

SKILLED NURSING FACILITY CVMC ALSO OPERATES A 153 LICENSED BED SKILLED NURSING FACILITY THE FACILITY CONCENTRATES ITS SERVICES TO PALLIATIVE CARE, REHABILITATION, PAIN MANAGEMENT, AND ADVANCED WOUND CARE DURING FY 2012 THERE WERE 48,956 PATIENT DAYS, APPROXIMATELY 17 PERCENT OF THE DAYS WERE FOR MEDICAID RESIDENTS

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

4e **Total program service expenses** ▶ 150,075,487

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 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		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	Yes	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	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 and XII 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, Parts I and IV*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Parts II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Parts III and IV*	16		No
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18	Yes	
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 hospital facilities? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to any government or organization 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, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	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 lines 24b through 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, highest 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 employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	**27**		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**	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**	Yes	
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, Part II, III, or IV, and Part V, line 1*	**34**	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	**35a**		No
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**		
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 11b 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	119		
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	1,722		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .	3a		Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b		Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .	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		Yes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		Yes	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .	14b			

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

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

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year **1a** 18			
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O			
b	Enter the number of voting members included in line 1a, above, who are independent **1b** 14			
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	**2**		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	**3**		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	**5**		No
6	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 this 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**		No
14	Did the organization have a written document retention and destruction policy?	**14**		No
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 ▶ VT

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 ☐ Other (explain in Schedule O)

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

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization

▶ Jason Irwin Controller 130 Fisher Rd Berlin, VT (802) 371-4225

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 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 organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								4,060,915	0	53,022

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 ▶ 111

			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**		No
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *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
E F WALL ASSOCIATES INC , 131 SOUTH MAIN ST PO BOX 259 BARRE VT 05641	CONSTRUCTION CNTRCTR	786,722
KLEEN INC , 1 FOUNDRY STREET LEBANON NH 03766	LINEN SERVICE	461,839
BLUE RIDGE CONSTRUCTION LLC , PO BOX 88 EAST MONTPELIER VT 05651	PLOWING/LANDSCAPING	442,727
CENTRAL VT ANESTHESIA ASSOCIATION , PO BOX 297 WAITSFIELD VT 05673	PHYSICIAN STAFFING	435,417
MAYO MEDICAL LABORATORIES INC , PO BOX 9146 MINNEAPOLIS MN 554809146	LAB SERVICES	411,561

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 ▶ 17

Part VIII Statement of Revenue

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

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c	18,195			
	d	Related organizations	1d				
	e	Government grants (contributions)	1e	107,145			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	548,682			
	g	Noncash contributions included in lines 1a-1f $		0			
	h	**Total.** Add lines 1a-1f			674,022		
Program Service Revenue			Business Code				
	2a	NET PATIENT SERVICE REVENUE	900099	150,672,152	150,672,152	0	0
	b	REV FROM MANAGED CARE AND CAPITATED	900099	590,971	590,971	0	0
	c	340B CONTRACT PHARMACY REVENUE	900099	3,771,742	3,771,742	0	0
	d	MEANINGFUL USE	900099	1,170,882	1,170,882	0	0
	e	All other program service revenue	900099	1,632,264	1,632,264	0	0
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f			157,838,011		
	3	Investment income (including dividends, interest, and other similar amounts)			1,323,748		1,323,748
	4	Income from investment of tax-exempt bond proceeds			0		
	5	Royalties			0		
			(i) Real	(ii) Personal			
	6a	Gross rents	543,208				
	b	Less rental expenses	298,334				
	c	Rental income or (loss)	244,874	0			
	d	Net rental income or (loss)			244,874	1,834	243,040
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory		1,281,747			
	b	Less cost or other basis and sales expenses	36,866	1,352,843			
	c	Gain or (loss)	-36,866	-71,096			
	d	Net gain or (loss)			-107,962		-107,962
Other Revenue	8a	Gross income from fundraising events (not including $ 18,195 of contributions reported on line 1c) See Part IV, line 18	a	8,280			
	b	Less direct expenses	b	7,881			
	c	Net income or (loss) from fundraising events			399		399
	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	CAFETERIA REVENUE	900099	822,329	822,329	0	0
	b	CONTRACT SERVICES	900099	578,168	578,168	0	0
	c	GPO DISCOUNTS	900099	165,322	165,322	0	0
	d	All other revenue		697,463	697,463	0	0
	e	**Total.** Add lines 11a–11d			2,263,282		
	12	**Total revenue.** See Instructions			162,236,374	160,101,293	1,834	1,459,225

Part IX Statement of Functional Expenses

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

Check if Schedule O contains a response 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	64,500	64,500		
2 Grants and other assistance to individuals in the United States See Part IV, line 22	0	0		
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0	0		
4 Benefits paid to or for members	0	0		
5 Compensation of current officers, directors, trustees, and key employees	4,019,229	2,097,137	1,922,092	0
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	230,937	230,937	0	0
7 Other salaries and wages	73,777,431	70,425,361	3,339,267	12,803
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	6,627,384	6,179,416	446,881	1,087
9 Other employee benefits	12,733,117	11,916,780	814,355	1,982
10 Payroll taxes	5,319,534	4,959,968	358,693	873
11 Fees for services (non-employees)				
a Management	172,313	0	172,313	0
b Legal	116,634	0	116,634	0
c Accounting	120,057		120,057	0
d Lobbying	0	0	0	0
e Professional fundraising services See Part IV, line 17	0			0
f Investment management fees	141,313	15,033	126,280	0
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	9,461,523	8,748,823	712,700	0
12 Advertising and promotion	810,949	128,680	682,269	0
13 Office expenses	20,952,365	20,483,522	468,843	0
14 Information technology	1,605,330	1,533,519	71,811	0
15 Royalties . .	0	0	0	0
16 Occupancy	5,834,490	5,719,409	115,081	0
17 Travel	106,162	65,623	40,539	0
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0	0	0	0
19 Conferences, conventions, and meetings	378,295	351,142	27,153	0
20 Interest	1,399,390	1,399,390	0	0
21 Payments to affiliates	0	0	0	0
22 Depreciation, depletion, and amortization	9,306,315	9,306,315	0	0
23 Insurance	497,541	497,541	0	0
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a BAD DEBT EXPENSE	4,825,516	4,825,516	0	0
b STATE NURSING BED TAX ASMNT	752,688	752,688	0	0
c DUES & FEES	548,009	253,658	294,351	0
d MISCELLANEOUS EXPENSE	270,322	120,529	149,793	0
e All other expenses				
25 **Total functional expenses.** Add lines 1 through 24e	160,071,344	150,075,487	9,979,112	16,745
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

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

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		0	1	0
	2	Savings and temporary cash investments		13,506,335	2	10,876,858
	3	Pledges and grants receivable, net		154,181	3	81,500
	4	Accounts receivable, net		15,500,149	4	15,704,785
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		1,285,521	7	1,326,873
	8	Inventories for sale or use		2,948,287	8	2,620,173
	9	Prepaid expenses and deferred charges		4,082,188	9	2,305,964
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 148,579,442			
	b	Less accumulated depreciation	10b 78,222,627	72,987,600	10c	70,356,815
	11	Investments—publicly traded securities		39,039,910	11	43,416,145
	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		1,474,830	15	1,412,031
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		150,979,001	16	148,101,144
Liabilities	17	Accounts payable and accrued expenses		20,392,092	17	21,479,143
	18	Grants payable		0	18	0
	19	Deferred revenue		0	19	0
	20	Tax-exempt bond liabilities		24,670,407	20	20,194,049
	21	Escrow or custodial account liability Complete Part IV of Schedule D		0	21	0
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		0	23	0
	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		46,439,705	25	23,951,183
	26	**Total liabilities.** Add lines 17 through 25		91,502,204	26	65,624,375
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		50,321,081	27	72,703,960
	28	Temporarily restricted net assets		6,054,410	28	6,671,503
	29	Permanently restricted net assets		3,101,306	29	3,101,306
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		59,476,797	33	82,476,769
	34	Total liabilities and net assets/fund balances		150,979,001	34	148,101,144

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	162,236,374
2	Total expenses (must equal Part IX, column (A), line 25)	2	160,071,344
3	Revenue less expenses Subtract line 2 from line 1	3	2,165,030
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	59,476,797
5	Net unrealized gains (losses) on investments	5	2,656,088
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	18,178,854
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	82,476,769

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
	If 'Yes,' check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
	If 'Yes,' check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both ☐ Separate basis ☑ Consolidated basis ☐ Both consolidated and separate basis			
c	If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	Yes	
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	Yes	
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	Yes	

Additional Data

Software ID:
Software Version:
EIN: 22-2547186
Name: CENTRAL VERMONT MEDICAL CENTER INC

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 (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Mark Crane Trustee, Pres-Elct CVMC Md Stf	1 0	X						0	0	0
Donald Carpenter Trustee	1 0	X						0	0	0
Stephen Martin Trustee	1 0	X						0	0	0
Thomas Robbins Trustee, Chair	1 0	X						0	0	0
Marta Marble Trustee	1 0	X						0	0	0
Robin Nicholson Trustee, Immediate Past Chair	1 0	X						0	0	0
Judith Tarr Tartaglia Trustee, President/CEO	50 0	X		X				335,061	0	4,785
Gregory Macdonald MD Trustee until 12/13/12, Physcn	50 0	X						346,164	0	1,583
Mark Depman MD Trustee, Medical Director EMS	50 0	X						318,691	0	4,908
MICHAEL DELLIPRISCOLI TRUSTEE	1 0	X						0	0	0
LAURA PLUDE TRUSTEE	1 0	X						0	0	0
CAROL WELCH TRUSTEE	1 0	X						0	0	0
Greg Voorheis Trustee, Chair-Elect	1 0	X						0	0	0
Steven Shea Trustee	1 0	X						0	0	0
Judy Peterson Trustee & Pres CVMC Med Staff	1 0	X						0	0	0
Heidi Pelletier Trustee	1 0	X						0	0	0
Joseph Pekala MD Trustee & Pres CVMC Med Staff	1 0	X						0	0	0
Edward Fruhauf Trustee	1 0	X						0	0	0
John Nicholls Trustee until 12/13/12	1 0	X						0	0	0
Dennis Minoli Trustee	1 0	X						0	0	0
Philip Brown DO VP Medical Affairs	50 0				X			330,662	0	4,479
Nancy Lothian Chief Operating Officer	50 0			X				243,195	0	0
Cheyenne Holland TREASURER, CFO/VP FISCAL SRVS	50 0			X				205,916	0	5,351
Richard Morley VP Support Services	50 0				X			213,427	0	2,777
Alison White CNO & VP NURSING AND QUALITY	50 0				X			201,849	0	94

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 (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Michelle Heezen VP Physician Services	50 0				X			188,123	0	1,090
Katherine Borne SECRETARY, EXECUTIVE ASSISTANT	50 0			X				67,542	0	4,305
Mark Heitzman MD Physician	50 0					X		345,340	0	2,817
Armando Lopez MD Physician	50 0					X		313,271	0	7,939
Russell Sarver MD Physician	50 0					X		334,405	0	0
Peter Thomashow MD Physician	50 0					X		325,621	0	9,794
JAVAD MASHKURI MD PHYSICIAN	50 0					X		291,648	0	3,100

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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

2012

Open to Public Inspection

Name of the organization
CENTRAL VERMONT MEDICAL CENTER INC

Employer identification number
22-2547186

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

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

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)

3 ☑ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state _____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)

9 ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

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

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally integrated **d** ☐ Type III - Non-functionally integrated

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total support** (Add lines 7 through 10)						

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

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

Section C. Computation of Public Support Percentage

14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f)) **14**

15 Public support percentage for 2011 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2012.** 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—2011.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

17a **10%-facts-and-circumstances test—2012.** 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—2011.** 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 Section 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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 2012 (line 8, column (f) divided by line 13, column (f))	15	
16	Public support percentage from 2011 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2012** (line 10c, column (f) divided by line 13, column (f))	17	
18	Investment income percentage from **2011** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2012.** 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—2011.** 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.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

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

2012

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	**Employer identification number**
CENTRAL VERMONT MEDICAL CENTER INC	22-2547186

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

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ $ _____

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ $ _____

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ **Yes** ☐ **No**

4a Was a correction made? ☐ **Yes** ☐ **No**

b If "Yes," describe in Part IV

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

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ $ _____

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ $ _____

3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ $ _____

4 Did the filing organization file **Form 1120-POL** for this year? ☐ **Yes** ☐ **No**

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

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

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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	0
d	Mailings to members, legislators, or the public?		No	0
e	Publications, or published or broadcast statements?		No	0
f	Grants to other organizations for lobbying purposes?		No	0
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	0
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	0
i	Other activities?	Yes		31,133
j	Total Add lines 1c through 1i			31,133
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 carry over 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) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No" OR (b) Part III-A, line 3, is answered "Yes."

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

Part IV Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, Part II-A (affiliated group list), Part II-A, line 2, and Part II-B, line 1 Also, complete this part for any additional information

Identifier	Return Reference	Explanation
LOBBYING ACTIVITY	SCHEDULE C, PART II-B, LINE 1I	CENTRAL VERMONT MEDICAL CENTER IS A MEMBER OF, AND PAYS DUES TO, THE VERMONT ASSOCIATION OF HOSPITALS AND HEALTH SERVICE PROVIDERS AS WELL AS THE AMERICAN HOSPITAL ASSOCIATION, THE VERMONT HEALTH CARE ASSOCIATION, AND THE MEDICAL GROUP MANAGEMENT ASSOCIATION A PORTION OF THE DUES ARE USED FOR LOBBYING PURPOSES

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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, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
CENTRAL VERMONT MEDICAL CENTER INC

Employer identification number
22-2547186

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 can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II Conservation Easements. Complete if the organization answered "Yes" 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 education) ☐ Preservation of an historically important land area
☐ Protection of natural habitat ☐ Preservation of a certified historic structure
☐ Preservation of open space

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

		Held at the End of the 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, and not on a historic structure listed in the National Register	2d

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

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

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

6 Staff and volunteer hours devoted to monitoring, inspecting, 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 section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

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

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

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

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

(i) 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 (ASC 958) 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 acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply)

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

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

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

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" 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 XIII and complete the following table

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

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

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

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

		(a) Current year	(b) Prior year	b (c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance	7,318,467	7,346,576	8,037,955	7,194,461	7,497,106
b	Contributions			0	456,000	0
c	Net investment earnings, gains, and losses	810,401	437,354	38,427	518,837	-117,038
d	Grants or scholarships			0	0	0
e	Other expenditures for facilities and programs	639,328	465,463	729,806	131,343	185,607
f	Administrative expenses			0	0	0
g	End of year balance	7,489,540	7,318,467	7,346,576	8,037,955	7,194,461

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

- a Board designated or quasi-endowment ▶
- b Permanent endowment ▶ 41 410 %
- c Temporarily restricted endowment ▶ 58 590 %

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

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

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

4 Describe in Part XIII 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		5,510,000		5,510,000
b Buildings		72,901,380	36,651,487	36,249,893
c Leasehold improvements		6,040,162	3,088,802	2,951,360
d Equipment		63,778,770	38,482,338	25,296,432
e Other		349,130		349,130
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				70,356,815

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) must 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) must 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) must 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) Book value
Federal income taxes	0
ACCRUED PENSION LIABILITY	23,172,646
OTHER LIABILITIES	778,537
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	23,951,183

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

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

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

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

1	Total expenses and losses per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIII)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
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			
b	Other (Describe in Part XIII)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	

Part XIII 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, line 2, Part XI, lines 2d and 4b, and Part XII, lines 2d and 4b Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
ENDOWMENT FUNDS	SCHUEDULE D, PART V, LINE 4	CVMC HAS ENDOWMENT INVESTMENTS AND SPENDING POLICIES THAT ATTEMPT TO PROVIDE A PREDICTABLE STREAM OF FUNDING FOR CAPITAL AND OPERATIONAL PROGRAMS PERTAINING TO THE DELIVERY OF HOSPITAL AND SKILLED NURSING CARE SERVICES AS WELL AS INTERNAL MEDICINE, FAMILY AND SPECIALTY PHYSICIAN SERVICES IN ORDER TO MEET THE HEALTH CARE NEEDS OF THE CENTRAL VERMONT COMMUNITY
ASC 740 DISCLOSURE	SCHUEDULE D, PART X, LINE 2	FAP ACCOUNTS FOR RECOGNITION AND MEASUREMENT OF UNCERTAIN TAX POSITIONS IN ACCORDANCE WITH ASC 740 NO PROVISION FOR UNCERTAIN TAX POSITIONS IS RECORDED IN THE ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS

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SCHEDULE G (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than $15,000 on Form 990-EZ, line 6a. Form 990-EZ filers are not required to complete this part.

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
CENTRAL VERMONT MEDICAL CENTER INC

Employer identification number
22-2547186

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

1 Indicate whether the organization raised funds through any of the following activities Check all that apply

a ☐ Mail solicitations
b ☐ Internet and email solicitations
c ☐ Phone solicitations
d ☐ In-person solicitations
e ☐ Solicitation of non-government grants
f ☐ Solicitation of government grants
g ☐ Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ **Yes** ☐ **No**

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization

(i) Name and address of individual or entity (fundraiser)	**(ii)** Activity	**(iii)** Did fundraiser have custody or control of contributions? Yes	No	**(iv)** Gross receipts from activity	**(v)** Amount paid to (or retained by) fundraiser listed in col **(i)**	**(vi)** Amount paid to (or retained by) organization
Total . . . . . ▶						

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

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

		(a) Event #1 Golf Tournament (event type)	(b) Event #2 (event type)	(c) Other events 0 (total number)	(d) Total events (add col (a) through col (c))
Revenue	1 Gross receipts	26,475			26,475
	2 Less Contributions	18,195			18,195
	3 Gross income (line 1 minus line 2)	8,280			8,280
Direct Expenses	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs	6,487			6,487
	7 Food and beverages	1,394			1,394
	8 Entertainment				
	9 Other direct expenses				
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				(7,881)
	11 Net income summary Combine line 3, column (d), and line 10 ▶				399

Part III **Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than $15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col (a) through col (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Non-cash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	
	7 Direct expense summary Add lines 2 through 5 in column (d) ▶				
	8 Net gaming income summary Combine lines 1 and 7 in column (d) ▶				

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

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

b If "No," explain _____

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

b If "Yes," explain _____

Does the organization operate gaming activities with nonmembers? . . . . . ☐ Yes ☐ No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? . . . . . ☐ Yes ☐ No

13 Indicate the percentage of gaming activity operated in

a	The organization's facility	13a	
b	An outside facility	13b	

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records

Name ▶ .....

Address ▶ .....

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? . . . . . ☐ Yes ☐ No

b If "Yes," enter the amount of gaming revenue received by the organization ▶ $ _____ and the amount of gaming revenue retained by the third party ▶ $ _____

c If "Yes," enter name and address of the third party

Name ▶ .....

Address ▶ .....

16 Gaming manager information

Name ▶ .....

Gaming manager compensation ▶ $ .....

Description of services provided ▶ .....

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? . . . . . ☐ Yes ☐ No

b Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ $

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

Identifier	Return Reference	Explanation

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493224011204

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

2012

Open to Public Inspection

Name of the organization
CENTRAL VERMONT MEDICAL CENTER INC

Employer identification number
22-2547186

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	Yes	
b	If "Yes," was it a written policy?	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year ☐ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for *free* care ☐ 100% ☐ 150% ☐ 200% ☑ Other 225 %	3a	Yes	
b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☑ 350% ☐ 400% ☐ Other ____ %	3b	Yes	
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	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 report during the tax year?	6a	Yes	
b	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 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			1,510,176		1,510,176	0 980 %
b Medicaid (from Worksheet 3, column a)			39,443,877	27,547,207	11,896,670	7 680 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			40,954,053	27,547,207	13,406,846	8 660 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			41,526		41,526	0 030 %
f Health professions education (from Worksheet 5)			304,558		304,558	0 200 %
g Subsidized health services (from Worksheet 6)			23,767,955	20,436,719	3,331,236	2 150 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			102,186		102,186	0 070 %
j **Total.** Other Benefits			24,216,225	20,436,719	3,779,506	2 450 %
k **Total.** Add lines 7d and 7j			65,170,278	47,983,926	17,186,352	11 110 %

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

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

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

Section A. Bad Debt Expense

			Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1	Yes	
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount	2 4,825,516		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit	3 96,510		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements			

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	36,436,337
6	Enter Medicare allowable costs of care relating to payments on line 5	6	46,122,121
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-9,685,784
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** (owned 10% or more by officers, directors, trustees, key employees, and physicians—see instructions)

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

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest—see instructions)
How many hospital facilities did the organization operate during the tax year?
1

	Name, address, and primary website address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
1	CENTRAL VERMONT HOSPITAL 130 FISHER ROAD BERLIN, VT 05602	X	X					X			

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group CENTRAL VERMONT HOSPITAL

For single facility filers only: line Number of Hospital Facility (from Schedule H, Part V, Section A) 1

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	**1**	Yes	
	If "Yes," indicate what the CHNA report 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 the community health 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 CHNA 20 13			
3	In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? 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**	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**		No
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report 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 CHNA, indicate how (check all that apply to date)			
a	☑ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☑ Execution of the implementation strategy			
c	☐ Participation in the development of a community-wide plan			
d	☐ Participation in the execution of a community-wide 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 its 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 CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	**7**		No
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	**8a**		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	**8b**		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 225 % If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 350 % If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	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)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted on the hospital facility's website			
b ☐ The policy was attached to 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 on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☑ Other (describe in Part VI)			
Billing and Collections			
15 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?	**15**	Yes	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			
17 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?	**17**		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)			

Part V Facility Information *(continued)*

18 Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)

- **a** ☐ Notified individuals of the financial assistance policy on admission
- **b** ☐ Notified individuals of the financial assistance policy prior to discharge
- **c** ☐ Notified individuals 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)

Policy Relating to Emergency Medical Care

		Yes	No
19 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?	**19**	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)			

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

20 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 its 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)			
21 During the tax year, did the hospital facility charge any FAP-eligible individuals 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?	**21**		No
If "Yes," explain in Part VI			
22 During the tax year, did the hospital facility charge any FAP-eligible individuals an amount equal to the gross charge for any service provided to that individual?	**22**		No
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

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

How many non-hospital health care facilities did the organization operate during the tax year?
20

	Name and address	Type of Facility (describe)
1	See Additional Data Table	
2		
3		
4		
5		
6		
7		
8		
9		
10		

Part VI Supplemental Information

Complete this part to provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, Part V, Section A, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22

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

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy

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

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)

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

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

8 **Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22

Identifier	ReturnReference	Explanation
REQUIRED DESCRIPTIONS	SCHEDULE H, PART VI, LINE 1	THE ORGANIZATION'S REQUIRED SCHEDULE H SPECIFIC LINE ITEM DESCRIPTIONS ARE AS FOLLOWS PART I, LINES 3A-C CVMC HAS A SLIDING SCALE FOR DETERMINING FREE CARE AS WELL AS DISCOUNTED CARE TO LOW INCOME INDIVIDUALS FOR INDIVIDUALS WITH INCOME UP TO 225% OF THE FEDERAL POVERTY LEVEL (FPL), FREE CARE IS PROVIDED FOR INDIVIDUALS WITH INCOME UP FROM 226% TO 250% OF THE FPL, A 75% DISCOUNT IS GIVEN ON BALANCES UP TO $500, FOR BALANCES GREATER THAN $500 FREE CARE IS PROVIDED FOR INDIVIDUALS WITH INCOME FROM 251% TO 275% OF THE FPL, A DISCOUNT OF 50% IS GIVEN ON BALANCES UP TO $500, A DISCOUNT OF 75% FOR BALANCES FROM $501-$2,500, AND FREE CARE FOR BALANCES GREATER THAN $2,500 FOR INDIVIDUALS WITH INCOME FROM 276% TO 300% OF THE FPL A 25% DISCOUNT IS GIVEN ON BALANCE UP TO $500, A 50% DISCOUNT FOR BALANCE FROM $501 TO $2,500, A DISCOUNT OF 75% FOR BALANCES FROM $2,501 TO $7,500, AND FREE CARE FOR BALANCES GREATER THAN $7,501 FOR INDIVIDUALS WITH INCOME FROM 301% TO 350% OF THE FPL A 50% DISCOUNT IS GIVEN ON BALANCES FROM $2,501 TO $7,500, FOR BALANCES GREATER THAN $7,501 A DISCOUNT OF 75% IS GIVEN PART I, LINE 7G FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013 CENTRAL VERMONT MEDICAL CENTER INCLUDED PHYSICIAN CLINIC EXPENSES IN SUBSIDIZED HEALTH SERVICES CENTRAL VERMONT MEDICAL CENTER PHYSICIANS INCURRED $23,767,955 OF COSTS ASSOCIATED WITH PROVIDING OUTPATIENT CLINIC SERVICES NEARLY ALL OF THE EXPENSES INCLUDED AS SUBSIDIZED HEALTH SERVICES ARE ATTRIBUTABLE TO PHYSICIAN CLINICS AS A RESULT OF THE UNIQUE GEOGRAPHY AND POPULATION DENSITY OF THE COMMUNITY THAT CVMC SERVES, WE CONSIDER ALL OF THE PRIMARY AND SPECIALTY OUTPATIENT CARE PROVIDED BY OUR EMPLOYED GROUP OF PHYSICIANS TO BE SUBSIDIZED IT HAS BEEN APPARENT OVER THE LAST 10-15 YEARS THAT THERE ARE NOT NEW, UNAFFILIATED PROVIDERS COMING INTO THE CVMC SERVICE AREA AND STARTING PRACTICES ADDITIONALLY THE MAJORITY OF THE INDEPENDENT PRACTICES THAT WERE ESTABLISHED IN THE CVMC SERVICE AREA HAVE JOINED CVMC DUE TO MANY REASONS INCLUDING ECONOMIC VIABILITY AND SUCCESSION PLANNING AS A RESULT OF THIS SHIFT, WHICH IS COMMON NOT ONLY IN THE NORTHEAST BUT ACROSS THE UNITED STATES, CVMC'S EMPLOYED PHYSICIANS MAKE UP THE MAJORITY AND IN SOME CASES THE ENTIRETY OF THE OUTPATIENT CARE SERVICES IN OUR COMMUNITY WERE CVMC TO CEASE THE PROVISION OF THESE SERVICES, THERE IS NO WAY THAT THE COMMUNITY AS IT EXISTS TODAY WOULD HAVE THE CAPACITY TO ABSORB THE PATIENTS AND PROVIDE THE NECESSARY CARE GIVEN THE HISTORIC LACK OF PROVIDERS ESTABLISHING NEW PRACTICES IN THE AREA, THE PATIENTS CURRENTLY SERVED BY THESE SUBSIDIZED HEALTH SERVICES WOULD END UP RECEIVING CARE FROM THE FEDERALLY QUALIFIED HEALTH CENTER WITHIN OUR SERVICE AREA, THE CVMC EMERGENCY DEPARTMENT, OR RECEIVING CARE FROM PROVIDERS OF NEIGHBORING HOSPITALS AND HEALTH SERVICE AREAS PART I, LINE 7, COLUMN F THE PROVISION FOR BAD DEBT INCLUDED ON FORM 990, PART IX, LINE 25 BUT SUBTRACTED FOR PURPOSE OF CALCULATING THE AMOUNT REPORTED ON LINE 7(F) IS $4,825,516 PART I, LINE 7 CVMC FOLLOWS THE IRS GUIDELINE FOR THE COMPLETION OF SCHEDULE H, PART I, LINES 7A-K, COLUMNS A-F CVMC UTILIZES THE CBISA SOFTWARE TO ORGANIZE AND TRACK THE DATA NEEDED THIS SOFTWARE INCLUDES DATA LOGS FOR DIRECT COSTS FOR EACH EVENT AND PROVIDES DETAILED DATA INPUT TO CALCULATE INDIRECT COSTS THE SOFTWARE ALSO FOLLOWED ALL OF THE IRS WORKSHEETS, ITS FINANCIAL STATEMENT REPORTS, MEDICARE COST REPORTS, AND COST TO CHARGE RATIOS USED FROM WORKSHEET 2 TO CALCULATE SCHEDULE H, PART I, LINE 7 TABLE OF INFORMATION CVMC ALSO FOLLOWED IRS INSTRUCTIONS FOR CALCULATING THE PERCENTAGES REPORTED IN COLUMN F PART III, LINE 4 CVMC PROVIDES CARE TO PATIENTS WHO MEET CERTAIN CRITERIA UNDER ITS CHARITY CARE POLICY WITHOUT CHARGE OR AT AMOUNTS LESS THAN ITS ESTABLISHED RATES BECAUSE THE CVMC DOES NOT PURSUE COLLECTION ON ACCOUNTS DETERMINED TO QUALIFY AS CHARITY CARE, THEY ARE NOT REPORTED AS REVENUE CVMC GRANTS CREDIT WITHOUT COLLATERAL TO PATIENTS AND WOODRIDGE RESIDENTS, MOST OF WHO ARE LOCAL AND ARE INSURED UNDER THIRD-PARTY AGREEMENTS ADDITIONS TO THE ALLOWANCE FOR ESTIMATED UNCOLLECTIBLE ACCOUNTS ARE MADE BY MEANS OF A PROVISION FOR BAD DEBTS ACCOUNTS WRITTEN OFF AS UNCOLLECTIBLE ARE DEDUCTED FROM THE ALLOWANCE AND SUBSEQUENT RECOVERIES ARE ADDED THE AMOUNT OF THE PROVISION FOR BAD DEBTS IS BASED UPON MANAGEMENT'S ASSESSMENT OF HISTORICAL AND EXPECTED NET COLLECTIONS, BUSINESS AND ECONOMIC CONDITIONS, TRENDS IN FEDERAL AND STATE GOVERNMENTAL HEALTH CARE COVERAGE, AND OTHER COLLECTION INDICATORS SERVICES RENDERED TO INDIVIDUALS WHEN PAYMENT IS EXPECTED AND ULTIMATELY NOT RECEIVED ARE WRITTEN OFF TO THE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS IN ADDITION, THE COST TO CHARGE METHODOLOGY WAS USED IN DETERMINING THE AMOUNTS REPORTED ON SCHEDULE H, PART III, LINES 2 & 3 AS FOLLOWS LINE 2 - BAD DEBT EXPENSE WAS CALCULATED BY TAKING THE CHARGES THAT WERE WRITTEN OFF TO ALLOWANCE TO BAD DEBT RESERVE AND REDUCED BY ANY RECOVERIES LINE 3 - THE AMOUNT ATTRIBUTABLE TO PATIENTS ELIGIBLE FOR CHARITY CARE WAS CALCULATED USING A PERCENTAGE OF COLLECTION CASES WHEREBY THE COLLECTION AGENCY HAS, UPON FURTHER COLLECTION ACTIVITY BEEN INFORMED THAT THE PATIENT REQUESTED FINANCIAL ASSISTANCE WITH HIS/HER BILL THIS PERCENTAGE IS APPROXIMATELY 2% OF ALL COLLECTION CALL ACTIVITY THIS PERCENTAGE WAS CALCULATED FROM THE NUMBER OF CALLS WITH A REQUEST FOR FINANCIAL ASSISTANCE LISTED ON THE COLLECTION AGENCY'S LOG AS A PERCENTAGE OF THE TOTAL NUMBER OF CALLS THE COLLECTION AGENCY MADE PART III, 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 PART III, LINE 9B CVMC'S CREDIT AND COLLECTION POLICY FOR FINANCIAL ASSISTANCE STATES THAT CVMC WILL NOTIFY PATIENTS OF THE ASSISTANCE PROGRAM PRIOR TO SENDING ACCOUNTS TO COLLECTIONS CVMC'S COLLECTION POLICY CONTAINS PROVISIONS ON THE COLLECTION PRACTICES TO BE FOLLOWED FOR PATIENTS WHO ARE KNOWN TO QUALIFY FOR CHARITY CARE OR FINANCIAL ASSISTANCE CVMC IS DILIGENT IN IDENTIFYING WHO QUALIFIES FOR FREE CARE AND/OR FINANCIAL ASSISTANCE CVMC WILL NOT PURSUE COLLECTION FOR CHARITY CARE (TOTALLY FREE CARE) CASES/PATIENTS ALSO, CVMC'S COLLECTION PRACTICES FOR FINANCIAL AID CASES INCLUDE MONITORING AND FOLLOWING UP TO ENSURE THAT THE PLAN IS CURRENT AND MATCHES THE PATIENT'S ECONOMIC NEEDS
REQUIRED DESCRIPTIONS CON'T	SCHEDULE H, PART VI, LINE 1	PART V, LINE 3 WE INVITED A WIDE VARIETY OF PUBLIC HEALTH PROFESSIONALS, COMMUNITY LEADERS, HUMAN SERVICE PROVIDERS, AND CVMC STAFF MEMBERS TO SERVE AS A STEERING COMMITTEE THROUGHOUT OUR CHNA PROCESS MEETINGS WERE HELD THROUGHOUT 2012 FOR THE COMMITTEE MEMBERS TO DELIBERATE OVER ALL COMMUNITY HEALTH CONCERNS AND REVIEW PERTINENT DATA AND INFORMATION INPUT WAS PROVIDED BY A WASHINGTON COUNTY MENTAL HEALTH B CENTRAL VERMONT HOME HEALTH & HOSPICE C PEOPLES HEALTH AND WELLNESS D U32 HIGH SCHOOL E CENTRAL VERMONT COUNCIL ON AGING F GREEN MOUNTAIN UNITED WAY G VERMONT DEPARTMENT OF HEALTH H CENTRAL VERMONT MEDICAL CENTER PART V, LINE 5C THE CVMC CHNA IS ALSO AVAILABLE THROUGH THE GREEN MOUNTAIN CARE BOARD'S WEBSITE (HTTP //GMCBOARD VERMONT GOV/) PART V, LINE 6I AT CENTRAL VERMONT MEDICAL CENTER, WE COLLABORATE WITH OTHER NON-PROFITS, BUSINESSES, COMMUNITY LEADERS, AND GOVERNMENTAL AGENCIES TO PROVIDE A VARIETY OF PROGRAMS AND EDUCATIONAL OFFERINGS INTENDED TO IMPROVE THE HEALTH OF THE COMMUNITIES WE SERVE OUR AFFILIATION BEGINNING IN 2011 WITH FLETCHER ALLEN HEALTH CARE, CHAMPLAIN VALLEY PHYSICIANS HOSPITAL MEDICAL CENTER, AND ELIZABETHTOWN COMMUNITY HOSPITAL UNDER FLETCHER ALLEN PARTNERS HAS INCREASED OUR REACH AND CAPABILITIES AS THE PRIMARY MEDICAL CENTER IN CENTRAL VERMONT THIS CONNECTION WITH FLETCHER ALLEN HAS BEEN A SIGNIFICANT STEP IN PROMOTING REGIONAL STRATEGIC PLANNING, IMPROVING ACCESS TO LOCAL CARE, ENHANCING INFORMATION TECHNOLOGY, AND ENCOURAGING JOINT QUALITY AND CLINICAL INITIATIVES TOGETHER OUR ORGANIZATIONS HAVE WORKED TO ALIGN WITH THE STATE AND FEDERAL HEALTH CARE REFORM AGENDAS THAT PROMOTE ENHANCED INTEGRATION AND BUILD UPON OUR EXISTING CLINICAL PARTNERSHIPS A NUMBER OF CVMC STAFF MEMBERS SERVE ON BOARDS OF OTHER MISSION RELATED COMMUNITY ORGANIZATIONS AND PLANNING GROUPS SUCH AS THE VERMONT BLUEPRINT FOR HEALTH, CENTRAL VERMONT HEALTH CARE COALITION, CENTRAL VERMONT SUBSTANCE ABUSE SERVICES, GREEN MOUNTAIN UNITED WAY, PEOPLE'S HEALTH & WELLNESS CLINIC, VERMONT DIETETIC ASSOCIATION, VERMONT ETHICS NETWORK, VERMONT MEDICAL SOCIETY BOARD, AND MANY MORE THIS IMPLEMENTATION PLAN POINTS TO AND ACKNOWLEDGES THE VALUABLE WORK OF MANY EFFORTS ALREADY UNDERWAY THROUGHOUT THE COUNTY TO ADDRESS COMMUNITY HEALTH OUR STEERING COMMITTEE DISCUSSED REGIONAL STRATEGIES THAT ARE WORKING, GAPS THAT REMAIN, AND OPPORTUNITIES FOR IMPROVEMENT FROM THIS POINT, WE HAVE DEVELOPED THE FOLLOWING MEASURES TO ADDRESS THOSE AREAS FOR IMPROVEMENT THAT REQUIRE MORE ATTENTION AND COLLABORATION PART V, LINE 7 MENTAL HEALTH IS AN ISSUE THAT WAS IDENTIFIED IN THIS ASSESSMENT AS AN AREA OF NEED BUT WAS NOT PRIORITIZED OR INCLUDED IN OUR IMPLEMENTATION PLAN WHEN WASHINGTON COUNTY YOUTH WERE SURVEYED THROUGH THE 2011 YOUTH RISK BEHAVIOR SURVEY, 23% OF STUDENTS REPORTED THAT THEY FELT SAD OR HOPELESS ALMOST EVERY DAY FOR TWO WEEKS OR MORE IN THE PAST 12 MONTHS EVEN MORE TROUBLING IS THE STATISTIC THAT 11% OF WASHINGTON COUNTY STUDENTS REPORTED HAVING MADE A SUICIDE PLAN IN THE PAST 12 MONTHS WITH THIS EVIDENCE AND MORE, WE RECOGNIZED COMMUNITY MENTAL HEALTH AS AN AREA WHERE IMPROVEMENT IS CERTAINLY NECESSARY BUT AS AN AREA MORE SUITED FOR COLLABORATIVE COMMUNITY AND STATE EFFORTS, WHERE CVMC DOES NOT INTEND TO IMPLEMENT INDEPENDENT IMMEDIATE ACTION CURRENT AVAILABLE SOURCES OF CARE ARE WASHINGTON COUNTY MENTAL HEALTH SERVICE, CVMC FAMILY PSYCHIATRY ASSOCIATES, CVMC'S INPATIENT PSYCHIATRY DEPARTMENT, AND THE HEALTH CENTER IN PLAINFIELD A SIGNIFICANT REASON WHY IMPLEMENTATION STEPS FOR MENTAL HEALTH ARE NOT INCLUDED IN THIS REPORT IS THAT A NEW 25-BED INTENSIVE-CARE PSYCHIATRIC HOSPITAL IS UNDER CONSTRUCTION ADJACENT TO CVMC IN BERLIN THIS $28 5 MILLION FACILITY WILL BE PART OF A STATEWIDE NETWORK OF MENTAL HEALTH FACILITIES TO REPLACE THE VERMONT STATE HOSPITAL IN WATERBURY AND IS PROJECTED TO BE OPEN TO PATIENTS BY JANUARY 2014 MENTAL HEALTH HAS BEEN ACKNOWLEDGED AS A PRESSING ISSUE STATEWIDE OUR COMMUNITY HOPES THIS NEW FACILITY WILL ALLEVIATE THE CURRENT DEMAND FOR INPATIENT CARE FOR SEVERE MENTAL HEALTH NEED AS EXPECTED, OUR COMMUNITY HEALTH NEEDS ASSESSMENT IDENTIFIED ADDITIONAL DETERMINANTS OF HEALTH THAT FALL OUTSIDE THE REALM OF OUR CAPABILITIES AT CVMC A PROMINENT NEED THAT WE ARE NOT DIRECTLY ADDRESSING IS ORAL HEALTH SEVERAL OF OUR PHYSICIANS HAVE UNDERGONE FLUORIDE TREATMENT TRAINING, AND WILL BE ABLE TO PROVIDE THIS SERVICE FOR CHILDREN UP TO FOUR YEARS OF AGE WHO DO NOT HAVE ACCESS TO DENTAL CARE HOWEVER, ONE OUT OF FOUR ADULTS IN WASHINGTON COUNTY HAS NOT VISITED A DENTIST IN THE LAST YEAR AS A MEDICAL HOSPITAL, WE DO NOT HAVE THE FACILITIES OR EXPERTISE TO ADDRESS THIS NEED DIRECTLY WITH THIS SAID, IT IS IMPORTANT THAT WE RECOGNIZE ALL FACTORS THAT MAY BE AFFECTING THE OVERALL HEALTH OF PATIENTS WALKING THROUGH OUR DOORS AT CVMC WE INTEND TO CONTINUE COLLABORATION WITH COMMUNITY FACILITIES SUCH AS PLAINFIELD HEALTH CENTER THAT OFFER DENTAL CARE PART V, LINE 14G IN ADDITION TO HAVING THE APPLICATION FOR FINANCIAL ASSISTANCE AS WELL AS THE SLIDING SCALE GRID OF HOW FINANCIAL ASSISTANCE IS AWARDED CVMC HAS COMPREHENSIVE INFORMATION ON THE WEBSITE ABOUT THE POLICY, MATERIALS REQUIRED TO APPLY AND CONTACT INFORMATION FOR THE FINANCIAL COUNSELORS SO THAT INTERESTED INDIVIDUALS CAN APPLY ADDITIONALLY, THERE IS REFERENCE MADE TO THE POLICY ON PATIENT'S BILLS AS WELL AS APPLICATIONS AND INFORMATION AVAILABLE IN REGISTRATION AREAS IN THE HOSPITAL AND CLINIC LOCATIONS CVMC ALSO EMPLOYS A TEAM OF FINANCIAL COUNSELORS THAT WORK WITH PATIENTS THROUGHOUT THEIR VISIT TO ENSURE THAT WE COMMUNICATE WITH AS MANY ELIGIBLE INDIVIDUALS AS POSSIBLE THESE FINANCIAL COUNSELORS ALSO WORK WITH PATIENTS TO EXPLORE THE OTHER OPPORTUNITIES AVAILABLE TO INDIVIDUALS IN NEED THROUGHOUT THE STATE OF VERMONT PART V, LINE 18E CVMC DID NOT INITIATE ANY OF THE ACTIONS DESCRIBED IN SCHEDULE H, PART V, SECTION B, LINE 17 HOWEVER, IF THE HOSPITAL HAD UNDERTAKEN IN ANY OF THE LISTED ACTIONS, IT WOULD HAVE FIRST NOTIFIED PATIENTS OF ITS FINANCIAL ASSISTANCE POLICY ON ADMISSION, PRIOR TO DISCHARGE, AND IN COMMUNICATIONS WITH THE PATIENTS REGARDING THEIR BILLS ADDITIONALLY, CVMC WOULD HAVE DOCUMENTED ITS DETERMINATION OF WHETHER PATIENTS WERE ELIGIBLE FOR FINANCIAL ASSISTANCE UNDER THE HOSPITAL FACILITY'S FINANCIAL ASSISTANCE POLICY PART V, LINE 20D CVMC USES 75% OF GROSS CHARGES AS A BASIS FOR BILLING ELIGIBLE INDIVIDUALS

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT	PART VI, LINE 2	THE COMMUNITY HEALTH NEEDS ASSESSMENT WAS COMPLETED USING BOTH QUALITATIVE AND QUANTITATIVE RESEARCH TECHNIQUES INITIALLY, MEMBERS OF THE CVMC STEERING COMMITTEE GAVE VERBAL REPORTS ON THE ISSUES THEY BELIEVED TO BE THE MOST PRESSING IN THEIR ORGANIZATIONS OR IN THE GENERAL CENTRAL VERMONT COMMUNITY FROM THERE, THE STEERING COMMITTEE REVIEWED THE RECOMMENDED LIST OF HEALTH AND SOCIOECONOMIC INDICATORS PROVIDED BY THE VERMONT DEPARTMENT OF HEALTH, AND GATHERED DATA PERTAINING TO POPULATION DEMOGRAPHICS, ACCESS TO HEALTH SERVICES, MATERNAL AND CHILD HEALTH, HEALTH STATUS AND PREVENTION, AND SOCIAL ENVIRONMENTAL MEASURES TO EVALUATE THESE CONCERNS THIS SECONDARY RESEARCH COUPLED WITH THE STEERING COMMITTEE'S CONCERNS ALLOWED SIGNIFICANT CONCLUSIONS TO BE DRAWN AND CVMC'S PRIORITY HEALTH NEEDS TO BE SELECTED THE COMMUNITY HEALTH NEEDS ASSESSMENT IS AVAILABLE AT THE FOLLOWING WEB ADDRESS HTTP //WWW CVMC ORG/SITES/DEFAULT/FILES/PDFS/CVMC%20CHNA%202013 PDF
PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE	PART VI, LINE 3	CVMC'S FINANCIAL ASSISTANCE POLICIES ARE POSTED IN ALL PATIENT ADMISSION PACKETS AND ON THE CVMC WEBSITE ALL PATIENT INVOICES LIST THE PHONE NUMBER FOR CONTACTING CVMC PATIENT FINANCIAL SERVICES FOR FINANCIAL ASSISTANCE IF PATIENTS ARE UNABLE TO PAY THEIR BILL PATIENT FINANCIAL SERVICES HAS APPLICATIONS FOR ALL STATE FINANCIAL AID PROGRAMS ON FILE AND EMPLOYS THREE FINANCIAL COUNSELORS WHO WILL SIT DOWN WITH PATIENTS TO HELP THEM DETERMINE WHICH PROGRAMS THEY QUALIFY FOR, AS WELL AS HELP THEM FILL OUT THESE FORMS PATIENT FINANCIAL SERVICES PROACTIVELY SCREENS PATIENT BILLING INFORMATION TO IDENTIFY INDIVIDUALS WHO MAY BE ELIGIBLE FOR STATE OR CVMC ASSISTANCE, AND WILL EITHER VISIT THAT PATIENT IN THE HOSPITAL, CALL THEM AT HOME, OR MAIL THEM THE INFORMATION

Identifier	ReturnReference	Explanation
COMMUNITY INFORMATION	PART VI, LINE 4	CENTRAL VERMONT MEDICAL CENTER IS THE ONLY HOSPITAL LOCATED IN OUR IMMEDIATE SERVICE AREA OF WASHINGTON COUNTY AND PARTS OF ORANGE COUNTY THIS SERVICE AREA CONSISTS OF 23 TOWNS WITH A TOTAL POPULATION OF 64,239 VITAL STATISTICS 97 1% WHITE 68% RURAL 20% UNDER THE AGE OF 20 66% AGED 18 TO 64 14% OVER THE AGE OF 65 MEDIAN HOUSEHOLD INCOME OF $52,832 9 7% LIVE BELOW THE POVERTY LEVEL 6 1% NON ENGLISH SPEAKING HOUSEHOLDS ACCESS TO HEALTHCARE 9 1% UNINSURED 16 1% MEDICAID (OR OTHER STATE PROGRAMS) RECIPIENTS 62 6% PRIVATE INSURANCE CHRONIC HEALTH CONDITIONS (ADULTS AGED 20+) 20% OBESITY RATE 6 9% LIVING WITH DIABETES 21% SMOKING RATE
PROMOTION OF COMMUNITY HEALTH	PART VI, LINE 5	CENTRAL VERMONT MEDICAL CENTER IS THE ONLY HOSPITAL AND EMERGENCY CARE FACILITY LOCATED IN OUR IMMEDIATE SERVICE AREA ALL OF ITS SERVICES, INCLUDING EMERGENCY CARE, ARE PROVIDED TO ALL PERSONS REGARDLESS OF ABILITY TO PAY CENTRAL VERMONT MEDICAL CENTER (CVMC) IS THE ADMINISTRATIVE ENTITY FOR VERMONT BLUEPRINT FOR HEALTH MULTI-PAYER PRIMARY CARE PRACTICES (PATIENT CENTERED MEDICAL HOME) FOR THE BARRE HEALTH SERVICES AREA (HSA) THE GOAL OF THE VERMONT BLUEPRINT FOR HEALTH, PASSED BY THE VERMONT LEGISLATURE IN 2010, IS TO SUPPORT VERMONT'S EFFORTS TO DEVELOP A COMPREHENSIVE, PROACTIVE SYSTEM OF CARE THAT IMPROVES THE QUALITY OF LIFE FOR PEOPLE WITH, OR AT RISK FOR CHRONIC CONDITIONS IN A PATIENT CENTERED MEDICAL HOME, PATIENTS RECEIVE CARE FROM A COMMUNITY HEALTH TEAM, WHICH CONSISTS OF A NURSE (CERTIFIED IN DIABETES EDUCATION), A DIETITIAN, A MEDICAL SOCIAL WORKER AND A HEALTH EDUCATOR THIS TEAM WORKS WITH THE PATIENT TO HELP SET REALISTIC OUTCOMES, GOALS AND TIMELINES AND PROVIDES ONE-ON-ONE SUPPORT THEY ALSO WORK WITH A BROAD BASE OF COMMUNITY SERVICES TO PROVIDE EACH PATIENT WITH INDIVIDUAL SUPPORT AND CARE AT THE END OF 2012, THERE WERE 50 PRIMARY CARE PROVIDERS WHO ARE PARTICIPATING IN THE PCMH IN THE BARRE HSA CARING FOR OVER 60,000 PATIENTS THERE ARE 9 COMMUNITY HEALTH TEAM MEMBERS IN THE CVMC PRACTICES CVMC IS PROUD TO BE A PARTICIPANT IN THE VERMONT BLUEPRINT FOR HEALTH WITH THE PCMH IN ADDITION TO FINANCIAL ASSISTANCE AND SLIDING SCALE DISCOUNTS (SEE SCHEDULE H, PART I, LINES 3A & B), CVMC OFFERS NO INTEREST MONTHLY PAYMENT PLANS FOR PATIENTS WHO CANNOT PAY THEIR OUTSTANDING BALANCE IN FULL BUT ARE ABLE TO PAY OVER TIME CVMC EXTENDS MEDICAL STAFF PRIVILEGES TO ALL QUALIFIED PHYSICIANS IN ITS COMMUNITY CVMC APPLIES SURPLUS FUNDS TO IMPROVEMENTS IN PATIENT CARE, SUCH AS NEW TECHNOLOGIES (MRI), FACILITIES AND SERVICES (A NEW THERAPEUTIC POOL AND WELLNESS FACILITY FOR AQUATIC AND OTHER REHAB THERAPY SERVICES) THE MAJORITY OF THE CVMC'S GOVERNING BODY (BOARD OF TRUSTEES) IS COMPRISED OF PERSONS WHO RESIDE IN CVMC'S PRIMARY SERVICE AREA WHO ARE NEITHER EMPLOYEES NOR CONTRACTORS OF THE ORGANIZATION, NOR FAMILY MEMBERS CVMC'S GOVERNANCE TEAM ALSO INCLUDES 61 "MEMBERS OF THE CORPORATION" WHO ARE ALSO MEMBERS OF OUR COMMUNITY THESE CORPORATE MEMBERS, ALONG WITH TRUSTEES AND PAID STAFF, COMPRISE THE GOVERNANCE COMMITTEES OF THE ORGANIZATION CVMC ACTIVELY PARTNERS WITH MANY COMMUNITY ORGANIZATIONS, SUCH AS WASHINGTON COUNTY MENTAL HEALTH SERVICES, THE PEOPLE'S HEALTH AND WELLNESS CLINIC, CENTRAL VERMONT HOME HEALTH AND HOSPICE, AND GREEN MOUNTAIN UNITED WAY, TO IMPROVE THE HEALTH AND WELLBEING OF OUR COMMUNITY ONE EXAMPLE IS OUR FREE WOMEN'S HEALTH CLINICS WITH FINANCIAL SUPPORT FROM THE SUSAN G KOMEN FOR THE CURE THAT CVMC SPONSORS ALONG WITH THE PEOPLE'S HEALTH AND WELLNESS CLINIC CVMC APPLIES SURPLUS FUNDS TO REVITALIZE FACILITIES, PURCHASE EQUIPMENT, AND TO ENHANCE PROGRAMS TO BETTER SERVE PATIENTS

Identifier	ReturnReference	Explanation
AFFILIATED HEALTH CARE SYSTEM	PART VI, LINE 6	AS OF OCTOBER 1, 2011, CENTRAL VERMONT MEDICAL CENTER, INC (CVMC) AND FLETCHER ALLEN HEALTH CARE, INC (FAHC), BECAME MEMBERS OF FLETCHER ALLEN PARTNERS, INC (FAP), AN INTEGRATED SYSTEM OF CARE SERVING THE COMMUNITIES OF VERMONT AND NORTHERN NEW YORK FLETCHER ALLEN PARTNERS IS CARRYING OUT CENTRALIZED ACTIVITIES FOR THE BENEFIT OF PATIENTS OF BOTH PARTNER ORGANIZATIONS, INCLUDING IMPROVING ACCESS TO LOCAL CARE, COST SAVINGS THROUGH GREATER JOINT PURCHASING POWER, ENHANCING INFORMATION TECHNOLOGY, INCREASING ACADEMIC OPPORTUNITIES FOR PHYSICIANS, ENGAGING IN REGIONAL STRATEGIC PLANNING, AND PARTICIPATING IN JOINT QUALITY AND CLINICAL INITIATIVES CLINICAL INITIATIVES
STATE FILING OF COMMUNITY BENEFIT REPORT	PART VI, LINE 7	VERMONT

Additional Data

Software ID:
Software Version:
EIN: 22-2547186
Name: CENTRAL VERMONT MEDICAL CENTER INC

Form 990 Schedule H, Part V Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

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

How many non-hospital health care facilities did the organization operate during the tax year?
20

Name and address	Type of Facility (describe)
CVMC - WOODRIDGE NURSING HOME 130 FISHER ROAD BERLIN,VT 05602	SKILLED NURSING FACILITY
WOMAN'S HEALTH 130 FISHER ROAD SUITE 1-4 BERLIN,VT 05602	SKILLED NURSING FACILITY
ASSOCIATES IN PEDIATRICS 246 GRANGER ROAD SUITE 1 BARRE,VT 05641	SKILLED NURSING FACILITY
WATERBURY MEDICAL ASSOCIATES 130 SOUTH MAIN STREET WATERBURY,VT 05676	SKILLED NURSING FACILITY
MOUNTAINVIEW MEDICAL 195 HOSPITAL LOOP SUITE 3 BERLIN,VT 05602	SKILLED NURSING FACILITY
MONTPELIER INTEGRATIVE FAMILY HEALTH 156 MAIN STREET MONTPELIER,VT 05602	SKILLED NURSING FACILITY
ASSOCIATES IN FAMILY HEALTH 82 EAST VIEW LANE SUITE 3 BARRE,VT 05641	SKILLED NURSING FACILITY
CENTRAL VERMONT PRIMARY CARE 246 GRANGER ROAD SUITE 2 BERLIN,VT 05602	SKILLED NURSING FACILITY
BARRE INTERNAL MEDICINE 225 SOUTH MAIN STREET BARRE,VT 05641	SKILLED NURSING FACILITY
CENTRAL VERMONT CARDIOLOGY 130 FISHER ROAD SUITE 2-1 BERLIN,VT 05602	SKILLED NURSING FACILITY
GREEN MOUNTAIN FAMILY PRACTICE 63 CRESCENT AVENUE NORTHFIELD,VT 05663	SKILLED NURSING FACILITY
BARRE PEDIATRICS 225 SOUTH MAIN STREET BARRE,VT 05641	SKILLED NURSING FACILITY
FAMILY PSYCHIATRY ASSOCIATES 77 VINE STREET BARRE,VT 05641	SKILLED NURSING FACILITY
MAD RIVER FAMILY PRACTICE 859 OLD COUNTY ROAD WAITSFIELD,VT 05673	SKILLED NURSING FACILITY
BERLIN UROLOGY 286 HOSPITAL LOOP SUITE 1 BERLIN,VT 05602	SKILLED NURSING FACILITY
CVMC NEUROLOGY 130 FISHER ROAD BERLIN,VT 05602	SKILLED NURSING FACILITY
NORWICH INFIRMARY 63 CRESCENT AVENUE NORTHFIELD,VT 05663	SKILLED NURSING FACILITY
CENTRAL VERMONT ORTHOPAEDIC SURGERY 244 GRANGER ROAD BERLIN,VT 05602	SKILLED NURSING FACILITY
CENTRAL VERMONT ORTHOPAEDIC SURGERY 130 FISHER ROAD MOB-B SUITE 2-3 BERLIN,VT 05602	SKILLED NURSING FACILITY
CENTRAL VERMONT RHEUMATOLOGY 130 FISHER ROAD BLD B SUITE 2-3 BERLIN,VT 05602	SKILLED NURSING FACILITY

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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

2012

Open to Public Inspection

Name of the organization
CENTRAL VERMONT MEDICAL CENTER INC

Employer identification number
22-2547186

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. Part II can be duplicated 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
(1) AREA HLTH EDU CNTRS PRM UNIV VT COL OF MED UHC CMP Arnld 51 SPrpct Brlngtn,VT 05401	03-0179440	501(c)(3)	25,000				EDU LOAN RPMT TO HLTHCR PRFSLS
(2) NORTHEAST WASHINGTON COUNTY COMMUNITY HLTH 157 TOWNE AVE PLAINFIELD,VT 05667	03-0240129	501(c)(3)	25,000				PROVIDE HEALTH SVCS TO UNINSRD
(3) GREEN MOUNTAIN TRANSIT AGENCY 15 INDUSTRIAL PKWY BURLINGTON,VT 05401	02-0706878	501(c)(3)	10,000				PUBLIC TRANSPORTATION

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

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

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. Part III can be duplicated if additional space is needed.

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

Part IV **Supplemental Information.**

Complete this part to provide the information required in Part I, line 2, Part III, column (b), and any other additional information

Identifier	Return Reference	Explanation
Description of Organization's Procedures for Monitoring the Use of Grants	Schedule I, Part I, Line 2	CENTRAL VERMONT MEDICAL CENTER OCCASIONALLY GRANTS FUNDS TO ORGANIZATIONS THAT SUPPORT CVMC'S EXEMPT PURPOSE OF SERVING THE HEALTHCARE NEEDS OF CENTRAL VERMONT RESIDENTS GRANT FUNDS ARE APPROVED AND OVERSEEN BY THE BOARD

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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

2012

Open to Public Inspection

Name of the organization
CENTRAL VERMONT MEDICAL CENTER INC

Employer identification number
22-2547186

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 or provision of all of the expenses described above? If "No," complete Part III to explain	**1b**		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all 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 filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III			
	☑ Compensation committee	☑ Written employment contract		
	☐ Independent compensation consultant	☑ Compensation survey or study		
	☑ Form 990 of other organizations	☑ Approval by the board or compensation committee		
4	During the year, did any person listed 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**		No
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 Regulations 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 duplicate copies if additional space is needed.

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

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

(A) Name and Title	**(B)** Breakdown of W-2 and/or 1099-MISC compensation			**(C)** Retirement and other deferred compensation	**(D)** Nontaxable benefits	**(E)** Total of columns (B)(i)-(D)	**(F)** Compensation reported as deferred in prior Form 990
	(i) Base compensation	**(ii)** Bonus & incentive compensation	**(iii)** Other reportable compensation				
See Additional Data Table							

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN	SCHEDULE J, PART I, LINE 4B	IN FY 2000, CVMC ESTABLISHED A NON-QUALIFIED DEFERRED COMPENSATION PLAN THAT TRANSITIONED AND WAS GRANDFATHERED IN AS A NON-TAXABLE DEFERRED STOCK OPTION PLAN THE INITIAL PLAN INCLUDED CONTRIBUTIONS THAT WERE HELD FOR THE BENEFIT OF 3 EMPLOYEES TO PRESERVE THE GRANDFATHERED NON-TAXABLE FEATURE OF THIS PLAN NO FURTHER CONTRIBUTIONS HAVE BEEN MADE TO THE PLAN DURING FY 2013, NO DISTRIBUTIONS WERE MADE

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 22-2547186
Name: CENTRAL VERMONT MEDICAL CENTER INC

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) 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 compensation				
Philip Brown DO	(I)	310,662	20,000	0	0	4,479	335,141	0
	(II)	0	0	0	0	0	0	0
Nancy Lothian	(I)	221,777	21,418	0	0	0	243,195	0
	(II)	0	0	0	0	0	0	0
Cheyenne Holland	(I)	188,126	17,790	0	0	5,351	211,267	0
	(II)	0	0	0	0	0	0	0
Richard Morley	(I)	194,701	18,726	0	0	2,777	216,204	0
	(II)	0	0	0	0	0	0	0
Alison White	(I)	186,399	15,450	0	0	94	201,943	0
	(II)	0	0	0	0	0	0	0
Michelle Heezen	(I)	171,815	16,308	0	0	1,090	189,213	0
	(II)	0	0	0	0	0	0	0
Judith Tarr Tartaglia	(I)	299,380	31,504	4,177	0	4,785	339,846	0
	(II)	0	0	0	0	0	0	0
Gregory Macdonald MD	(I)	342,103	4,061	0	0	1,583	347,747	0
	(II)	0	0	0	0	0	0	0
Mark Depman MD	(I)	291,149	27,542	0	0	4,908	323,599	0
	(II)	0	0	0	0	0	0	0
Mark Heitzman MD	(I)	340,869	4,471	0	0	2,817	348,157	0
	(II)	0	0	0	0	0	0	0
Armando Lopez MD	(I)	299,070	14,201	0	0	7,939	321,210	0
	(II)	0	0	0	0	0	0	0
Russell Sarver MD	(I)	327,404	7,001	0	0	0	334,405	0
	(II)	0	0	0	0	0	0	0
Peter Thomashow MD	(I)	325,621	0	0	0	9,794	335,415	0
	(II)	0	0	0	0	0	0	0
JAVAD MASHKURI MD	(I)	263,648	18,000	10,000	0	3,100	294,748	0
	(II)	0	0	0	0	0	0	0

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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 Part VI.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
CENTRAL VERMONT MEDICAL CENTER INC

Employer identification number
22-2547186

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 Bldgs Finance Authority	23-7154467	000000000	05-13-2009	21,023,997	SEE SCH K, PART VI		X		X	X	

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	8,852,911			
2	Amount of bonds legally defeased	0			
3	Total proceeds of issue	21,028,838			
4	Gross proceeds in reserve funds	0			
5	Capitalized interest from proceeds	0			
6	Proceeds in refunding escrows	0			
7	Issuance costs from proceeds	144,996			
8	Credit enhancement from proceeds	0			
9	Working capital expenditures from proceeds	0			
10	Capital expenditures from proceeds	8,000,000			
11	Other spent proceeds	12,879,001			
12	Other unspent proceeds	0			
13	Year of substantial completion	2009			

		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?		X						
2	Are there any lease arrangements that may result in private business use of bond-financed property?	X							

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 of bond-financed property?	X							
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?	X							
c	Are there any research agreements that may result in private business use of bond-financed property?		X						
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	Does the bond issue meet the private security or payment test?		X						
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X						
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of	%		%		%		%	
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?		X						
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?	X							

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?		X						
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?	X							
b	Exception to rebate?		X						
c	No rebate due?		X						
	If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?		X						
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X						
b	Name of provider	0							
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								

Part IV Arbitrage *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?		X						
b	Name of provider	0							
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6	Were any gross proceeds invested beyond an available temporary period?		X						
7	Has the organization established written procedures to monitor the requirements of section 148?	X							

Part V Procedures To Undertake Corrective Action

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

Part VI Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

Identifier	Return Reference	Explanation
SCHEDULE K, PART I, LINE A, COLUMN F	DESCRIPTION OF PURPOSE	THE VEHBFA 2009 SERIES A&B BOND ISSUANCE WAS ISSUED ON 6/23/2005 TO SATISFY (REFINANCE) 2005 DEBT WITH VEHBFA THE 2005 DEBT FINANCED THE CONSTRUCTION AND EQUIPMENT OF A RENOVATION AND MODERNIZATION PROJECT $12,198,001 OF THE VEHBFA 2009 SERIES A&B BOND ISSUANCE WAS USED TO REFUND THE 2005 DEBT THE REFUND OCCURRED ON MAY 31, 2009 THE REMAINDER WAS USED TO CONSTRUCT AND EQUIP A CANCER TREATMENT CENTER

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
CENTRAL VERMONT MEDICAL CENTER INC

Employer identification number
22-2547186

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

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

1 (a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected? Yes	No

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

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

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

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

Part III Grants or Assistance Benefitting Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) Bates Murray	See Schedule L, Part V	53,678	Electrical repairs & maint		No
(2) Diane Patno	See Schedule L, Part V	12,012	Wages & Benefits		No
(3) Donna Dominigue	See Schedule L, Part V	36,052	Wages & Benefits		No
(4) Donna Leighty	See Schedule L, Part V	66,191	Wages & Benefits		No
(5) Katie Peterson	See Schedule L, Part V	80,716	Wages & Benefits		No
(6) Matt Tarr	See Schedule L, Part V	35,966	Wages & Benefits		No

Part V Supplemental Information

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

Identifier	Return Reference	Explanation
SCHEDULE L, PART IV, COLUMN B	RELATIONSHIP BETWEEN PARTIES	BATES & MURRAY, INC PROVIDES ELECTRICAL CONTRACTOR SERVICES TO THE ORGANIZATION THE SPOUSE OF OFFICER KATHERINE BORNE IS A PARTNER IN THIS CORPORATION ADDITIONALLY THE SPOUSE OF OFFICER CHEYENNE HOLLAND IS EMPLOYED BY THIS CORPORATION DIANE PATNO WAS EMPLOYED BY CVMC DURING THE FISCAL YEAR AND IS THE SISTER OF ROBIN NICHOLSON, A TRUSTEE OF THE ORGANIZATION DONNA DOMINGUE IS AN EMPLOYEE OF CVMC AND IS THE MOTHER OF MICHELLE HEEZEN, A KEY EMPLOYEE OF THE ORGANIZATION DONNA LEIGHTY IS AN EMPLOYEE OF CVMC AND IS THE SISTER-IN-LAW OF ALISON WHITE, A KEY EMPLOYEE OF THE ORGANIZATION KATIE PETERSON IS AN EMPLOYEE OF CVMC AND IS THE DAUGHTER OF JUDY PETERSON, A TRUSTEE OF THE ORGANIZATION MATT TARR IS AN EMPLOYEE OF CVMC AND IS THE SON OF JUDITH TARR TARTAGLIA, AN OFFICER OF THE ORGANIZATION

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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

2012

Open to Public Inspection

Name of the organization
CENTRAL VERMONT MEDICAL CENTER INC

Employer identification number
22-2547186

Identifier	Return Reference	Explanation
DESCRIPTION OF CLASSES OF MEMBERS OR STOCKHOLDERS	Form 990, Part VI, Line 6	FLETCHER ALLEN PARTNERS, INC (FAP) IS THE SOLE MEMBER AND PARENT CORPORATION OF CVMC FAP IS A VERMONT NON-PROFIT CORPORATION WHICH HAS BEEN RECOGNIZED BY THE IRS AS A 501(C)(3) ORGANIZATION THAT IS NOT A PRIVATE FOUNDATION

Identifier	Return Reference	Explanation
ELECTION OF GOVERNING BODY & GOVERNANCE DECISIONS	Form 990, Part VI, Line 7a & 7b	FLETCHER ALLEN PARTNERS, INC HOLDS THE POWERS TO ELECT CVMC'S BOARD OF TRUSTEES AND TO APPROVE SIGNIFICANT CORPORATE ACTIONS, INCLUDING ANNUAL OPERATING AND CAPITAL BUDGETS, STRATEGIC PLANS, THE APPOINTMENT OF THE CEO, THE INCURRENCE OF LONG-TERM INDEBTEDNESS, AND AMENDMENTS TO CVMC'S BYLAWS AND ARTICLES OF ORGANIZATION

Identifier	Return Reference	Explanation
DESCRIPTION OF PROCESS USED BY MGMNT &/OR GOVERNING BODY TO REVIEW 990	Form 990, Part VI, Line 11b	THE FORM 990 IS PREPARED BY THE CONTROLLER AND REVIEWED IN DETAIL AT THE SENIOR MANAGEMENT LEVEL (TREASURER/CHIEF FINANCIAL OFFICER) AND REVIEWED BY THE CHIEF EXECUTIVE OFFICER THE CONTROLLER PROVIDES REGULATORY UPDATES REGARDING THE FORM 990 TO THE FINANCE COMMITTEE AND MAKES AVAILABLE TO THE FINANCE COMMITTEE THE FORM 990 ALONG WITH HIGHLIGHTS OF ALL SIGNIFICANT PARTS OF THE FORM 990 THE BOARD OF TRUSTEES IS ALSO PROVIDED VIA EMAIL A COPY OF THE "AS FILED" FORM 990 BEFORE IT IS FILED WITH THE IRS THE FORM 990 IS ALSO AVAILABLE IN HARD COPY FOR THOSE THAT DO NOT HAVE ACCESS TO EMAIL

Identifier	Return Reference	Explanation
DESCRIPTION OF PROCESS TO MONITOR TRANSACTIONS FOR CONFLICTS OF INTEREST	FORM 990, PART VI, LINE 12C	THE COMPLIANCE OFFICER FOR CVMC MAINTAINS THE CONFLICT OF INTEREST STATEMENTS AND REGULARLY MONITORS THEM AS WELL AS ANY OTHER ACTIVITIES THAT MAY CONSTITUTE A CONFLICT OF INTEREST THE ORGANIZATION'S PRACTICE IS TO SEND OUT ANNUAL DISCLOSURE QUESTIONNAIRES TO BOARD OF TRUSTEE MEMBERS, SENIOR OFFICERS, AND DIRECTORS OF THE ORGANIZATION OR OTHER INDIVIDUALS IN A POSITION TO EXERCISE SUBSTANTIAL INFLUENCE OVER THE AFFAIRS OF THE ORGANIZATION WHO HAVE A DIRECT OR INDIRECT FINANCIAL INTEREST, AS DEFINED BELOW, AS AN "INTERESTED PERSON" THIS DEFINITION SHALL ALSO INCLUDE MEMBERS OF THE ORGANIZATION'S LEADERSHIP GROUP, MEDICAL DIRECTORS AND ANY EMPLOYEES INVOLVED WITH RECOMMENDING OR PURCHASING PRODUCTS/SERVICES THE RESPONSES ARE TAKEN TO THE GOVERNANCE AND HUMAN RESOURCES COMMITTEE OF THE BOARD OF TRUSTEES TO DETERMINE IF A CONFLICT OF INTEREST EXISTS THE GOVERNANCE AND HUMAN RESOURCES COMMITTEE SHALL MAINTAIN A LIST OF INDIVIDUALS WHO MAY BE CONSIDERED DISQUALIFIED PERSONS UNDER IRS REGULATIONS THE GOVERNANCE AND HUMAN RESOURCES COMMITTEE SHALL REPORT THE RESULTS OF ITS REVIEW ANNUALLY TO THE BOARD OF TRUSTEES IF THERE IS ANY POSSIBILITY OF FINANCIAL GAIN BY A TRUSTEE AND OR EMPLOYEE FROM ANY DECISION THAT IS TO BE DELIBERATED ON, THEN THAT TRUSTEE/EMPLOYEE MAY MAKE A PRESENTATION, BUT IS THEN REMOVED FROM THOSE DISCUSSIONS TO ENSURE THAT THE TRUSTEE/EMPLOYEE WILL NOT TAKE PART IN ANY DELIBERATIONS THAT HE OR SHE MIGHT PERSONALLY GAIN FROM THE TRUSTEE/EMPLOYEE OPERATING UNDER A CONFLICT IS PROHIBITED FROM VOTING ON ANY MATTER TO WHICH THE CONFLICT RELATES

Identifier	Return Reference	Explanation
WHISTLEBLOWER & DOCUMENT RETENTION - DESTRUCTION POLICIES	FORM 990, PART VI, LINES 13 & 14	CVMC HAS BOTH A WHISTLEBLOWER AND A DOCUMENT RETENTION - DESTRUCTION POLICY THESE POLICIES ARE EFFECTIVE WITHOUT FORMAL BOARD APPROVAL

Identifier	Return Reference	Explanation
OFFICES & POSITIONS FOR WHICH PROCESS WAS USED, & YEAR PROCESS WAS BEGUN	FORM 990, PART VI, LINES 15A & 15B	THE PROCESS FOR DETERMINING COMPENSATION FOR THE ORGANIZATION'S CEO AND COO INCLUDED A REVIEW AND APPROVAL BY THE BOARD OF TRUSTEES AN INDEPENDENT COMPENSATION STUDY IS PERIODICALLY PERFORMED THE MOST RECENT STUDY WAS PERFORMED IN 2013 THIS STUDY INCLUDED CHIEF EXECUTIVE OFFICERS AND VICE PRESIDENTS THE COO AND CFO COMPENSATIONS WERE DETERMINED THROUGH MARKET STUDY ANALYSIS PERFORMED BY THE HUMAN RESOURCES DEPARTMENT AND REVIEWED BY THE GOVERNANCE COMMITTEE MARKET STUDY DATA COMES FROM, BUT IS NOT LIMITED TO, HFMA, VAHHS, NEAH, AHA, INDUSTRY SPECIFIC COMPENSATION SURVEYS AND OTHER HEALTHCARE SOURCES CVMC FROZE EXECUTIVE BASE SALARY RATES FLAT OVER A 2 YEAR PERIOD FY 2009 THROUGH FY 2010 WHICH WAS A CONSERVATIVE POSITION GIVEN THE MARKET INDICATORS DURING THAT PERIOD THUS EXECUTIVE SALARIES DID NOT GROW MORE THAN 12% OVER A 5 YEAR PERIOD THE COMPENSATION OF OTHER KEY EMPLOYEES OF THE ORGANIZATION IS DETERMINED THROUGH MARKET STUDY ANALYSIS PERFORMED BY THE HUMAN RESOURCES DEPARTMENT AND, AS APPLICABLE, REVIEWED BY THE GOVERNANCE COMMITTEE

Identifier	Return Reference	Explanation
AVAIL OF GOV DOCS, CONFLICT OF INTEREST POLICY, & FIN STMTS TO GEN PUBLIC	FORM 990, PART VI, LINE 19	THE ORGANIZATION MAKES AVAILABLE GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICIES AND FINANCIAL STATEMENTS TO THE GENERAL PUBLIC UPON REQUEST WITHIN THE ANNUAL PUBLICATION OF THE ORGANIZATION'S ANNUAL REPORT THERE ARE HIGHLIGHTS OF THE ORGANIZATION'S FINANCIAL STATEMENTS THE ANNUAL REPORT IS ALSO AVAILABLE IN A PDF FORMAT ON THE ORGANIZATION'S WEBSITE.

Identifier	Return Reference	Explanation
OTHER CHANGES IN NET ASSETS	FORM 990, PART XI, LINE 9	CHANGE IN MINIMUM PENSION LIABILITY DUE TO PURCHASE ACCOUNTING RULE $18,178,854

Identifier	Return Reference	Explanation
CIRCULAR A-133 AUDIT	FORM 990, PART XII, LINE 3B	DURING FY13 CVMC DID NOT REACH THE LEVEL REQUIRED TO WARRANT AN AUDIT UNDER OMB CIRCULAR A-133 HOWEVER, BECAUSE OF CVMC'S AFFILIATION WITH FLETCHER ALLEN HEALTH CARE CVMC WAS INCLUDED IN THE A-133 THAT WAS PERFORMED FOR FLETCHER ALLEN

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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

2012

Open to Public Inspection

Name of the organization
CENTRAL VERMONT MEDICAL CENTER INC

Employer identification number
22-2547186

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
See Additional Data Table							

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity? Yes	(i) No
(1) Charitable Irrevocable Trust (7) 130 Fisher Rd Berlin, VT 05602 99-9999999	Trust/Support	VT	NA	Trust	0	0	0 %		No
(2) Fletcher Allen Health Ventures 111 Colchester Ave Burlington, VT 05401 04-3380045	Holding Company	VT	NA	C Corp	0	0	0 %		No
(3) VMC Indemnity Company LTD PO BOX HM 3103 25 Church St HM F Hamilton HM FX FR BD 99-9999999	Captive Insurance	BD	NA	C Corp	0	0	0 %		No
(4) Vermont Managed Care 111 Colchester Ave Burlington, VT 05401 03-0333056	Managed Care	VT	FAHV	C Corp	0	0	0 %		No
(5) Charitable Remainder Trust (1) 111 Colchester Ave Burlington, VT 05401 03-0333056	Support	VT	FAHC	Trust	0	0	0 %		No
(6) Perpetual Trust (4) 111 Colchester Ave Burlington, VT 05401 99-9999999	Support	VT	FAHC	Trust	0	0	0 %		No

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

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

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

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

(a) Name of other organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved

Part VI **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to 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 section 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	

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 22-2547186
Name: CENTRAL VERMONT MEDICAL CENTER INC

Part VII **Supplemental Information**

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

Identifier	Return Reference	Explanation	

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Fletcher Allen Partners, Inc. and Subsidiaries

Consolidated Financial Statements
September 30, 2013 and 2012

Fletcher Allen Partners, Inc. and Subsidiaries
Index
September 30, 2013 and 2012

Independent Auditor's Report

To the Board of Trustees of
Fletcher Allen Partners, Inc

We have audited the accompanying consolidated financial statements of Fletcher Allen Partners, Inc and its Subsidiaries (the "Organization"), which comprise the consolidated balance sheets as of September 30, 2013 and 2012, and the related consolidated statements of operations, of changes in net assets and of cash flows for the years then ended

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits We did not audit the 2013 combined financial statements of Community Providers Inc and Affiliates, a subsidiary whose sole member is Fletcher Allen Partners, Inc , which statements reflect total assets constituting 16% of consolidated total assets at September 30, 2013 and total revenues constituting 16% of consolidated total revenues for the year then ended Those statements as of September 30, 2013 and for the nine months then ended were audited by other auditors whose report thereon has been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for Community Providers Inc and Affiliates, is based solely on the report of the other auditors We conducted our audits in accordance with auditing standards generally accepted in the United States of America Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement

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

audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control Accordingly, we express no such opinion An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Opinion

In our opinion, based on our audits and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Fletcher Allen Partners, Inc and its Subsidiaries as of September 30, 2013 and 2012, and the results of their operations, their changes in net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole The consolidating information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual companies and is not a required part of the consolidated financial statements Accordingly, we do not express an opinion on the financial position and results of operations of the individual companies

PricewaterhouseCoopers LLP

February 7, 2014

Fletcher Allen Partners, Inc. and Subsidiaries
Consolidated Balance Sheets
September 30, 2013 and 2012

(in thousands)	2013	2012
Assets		
Current assets		
Cash and cash equivalents	$ 248,852	$ 173,865
Patient and other trade accounts receivable - net of allowance for doubtful accounts of $34,150 and $26,572, respectively	175,792	132,939
Inventories	29,654	23,861
Current portion of assets whose use is limited or restricted	20,845	13,132
Receivables from third-party payers	4,951	6,140
Prepaid, other current assets, and short-term investments	55,831	27,088
Total current assets	535,925	377,025
Assets whose use is limited or restricted		
Board-designated assets	317,715	294,100
Assets held by trustee under bond indenture agreements	26,013	31,228
Restricted assets	39,006	37,319
Donor-restricted assets for specific purposes	28,708	25,351
Donor-restricted assets for permanent endowment	29,775	29,165
Total assets whose use is limited or restricted	441,217	417,163
Property and equipment, net	608,519	471,064
Other	28,909	28,938
Total assets	$ 1,614,570	$ 1,294,190
Liabilities and Net Assets		
Current liabilities		
Current portion of long-term debt	$ 27,688	$ 13,489
Accounts payable	23,413	25,671
Accrued expenses and other liabilities	83,878	50,807
Accrued payroll and related benefits	90,903	72,253
Third-party payer settlements	20,926	16,916
Current portion of incurred but not reported claims	31,991	24,631
Total current liabilities	278,799	203,767
Long-term liabilities		
Long-term debt, net of current portion	470,721	401,833
Malpractice and workers' compensation claims, net of current portion	23,753	28,982
Pension and other postretirement benefit obligations	66,300	81,582
Other	29,457	21,248
Total long-term liabilities	590,231	533,645
Total liabilities	869,030	737,412
Net assets		
Unrestricted	681,708	500,374
Temporarily restricted	32,500	27,239
Permanently restricted	31,332	29,165
Total net assets	745,540	556,778
Total liabilities and net assets	$ 1,614,570	$ 1,294,190

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

Fletcher Allen Partners, Inc. and Subsidiaries
Consolidated Statements of Operations
Years Ended September 30, 2013 and 2012

(in thousands)	2013	2012
Unrestricted revenue and other support		
Net patient service revenue	$ 1,297,512	$ 1,037,259
Less Provision for bad debts	(37,524)	(35,856)
Net patient service revenue after provision for bad debts	1,259,988	1,001,403
Enhanced Medicaid Graduate Medical Education revenues-Hospital	18,582	-
Enhanced Medicaid Graduate Medical Education revenues-Professional	48,639	-
Net patient service revenue after provision for bad debts and enhanced Medicaid Graduate Medical Education revenues	1,327,209	1,001,403
Premium revenue	120,303	106,904
Other revenue	55,118	36,242
Total unrestricted revenue and other support	1,502,630	1,144,549
Expenses		
Salaries, payroll taxes, and fringe benefits	845,394	665,704
Supplies and other	389,719	264,803
Purchased services	59,844	45,660
Depreciation and amortization	70,338	57,104
Interest expense	21,332	19,951
Underwriting expenses	12,025	14,652
Medical claims	60,197	47,609
Total expenses	1,458,849	1,115,483
Income from operations	43,781	29,066
Nonoperating gains (losses)		
Investment income	38,297	21,668
Change in fair value of interest rate swaps	9,450	(1,266)
Loss on extinguishment of debt	(1,142)	(2,834)
Contribution revenue from acquisition	45,479	52,453
Other	6,498	5,885
Total nonoperating gains	98,582	75,906
Excess of revenue over expenses	142,363	104,972
Net (decrease) increase in unrealized gains on investments	(20,805)	30,945
Net assets released from restrictions for capital purchases	7,195	334
Pension related adjustments	52,581	(18,343)
Increase in unrestricted net assets	$ 181,334	$ 117,908

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

Fletcher Allen Partners, Inc. and Subsidiaries
Statements of Changes in Net Assets
Years Ended September 30, 2013 and 2012

(in thousands)	2013	2012
Unrestricted net assets		
Excess of revenue over expenses	$ 142,363	$ 104,972
Net (decrease) increase in unrealized gains on investments	(20,805)	30,945
Net assets released from restrictions for capital purchases	7,195	334
Pension related adjustments	52,581	(18,343)
Increase in unrestricted net assets	181,334	117,908
Temporarily restricted net assets		
Gifts, grants, and bequests	9,773	2,908
Investment income	192	180
Net increase in unrealized gains on investments	1,197	3,099
Net realized gains on investments	1,728	617
Net assets released from restrictions used in operations	(2,209)	(1,522)
Net assets released from restrictions used for nonoperating purposes	(1,150)	(306)
Net assets released from restrictions used for capital purchases	(7,195)	(334)
Transfer of net assets	(29)	(64)
Contribution of temporarily restricted net assets from acquisition	2,954	6,035
Increase in temporarily restricted net assets	5,261	10,613
Permanently restricted net assets		
Gifts, grants, and bequests	75	67
Change in beneficial interest in perpetual trusts	506	941
Transfer of net assets	29	64
Contribution of permanently restricted net assets from acquisition	1,557	3,101
Increase in permanently restricted net assets	2,167	4,173
Increase in net assets	188,762	132,694
Net assets		
Beginning of year	556,778	424,084
End of year	$ 745,540	$ 556,778

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

Fletcher Allen Partners, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended September 30, 2013 and 2012

(in thousands)	2013	2012
Cash flows from operating activities		
Increase in net assets	$ 188,762	$ 132,694
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	70,338	57,104
Contribution revenue from acquisition	(49,990)	(61,589)
Provision for bad debts	37,524	35,856
Contributions restricted for long-term use	(5,478)	(67)
Pension related adjustments	(52,581)	18,343
Loss on extinguishment of debt	1,142	2,834
Gain on disposal of property and equipment	(264)	(218)
Change in fair value of interest rate swaps	(9,450)	1,266
Net realized and change in unrealized gains on investments	(13,301)	(48,943)
Undistributed losses (gains) of affiliated companies	1,293	(226)
Change in beneficial interest in perpetual trusts	(506)	(941)
Changes in operating assets and liabilities		
Increase in patient and other accounts receivable	(39,878)	(28,747)
Increase in other current and noncurrent assets	(3,584)	(5,607)
Decrease (increase) in estimated receivables from third-party payers	1,189	(901)
Increase in accounts payable and accrued expenses	17,249	16,843
Increase in accrued payroll and related expenses	5,658	7,743
(Decrease) increase in other current and noncurrent liabilities	(8,668)	11,289
Decrease in estimated settlements with third-party settlements	(6,434)	(3,580)
Decrease in pension and other postretirement benefit obligations	(10,559)	(7,398)
Net cash provided by operating activities	122,462	125,755
Cash flows from investing activities		
Purchases of property and equipment	(83,848)	(39,488)
Purchase of investments	(295,904)	(213,760)
Proceeds from sale of investments	314,003	201,683
Proceeds from sale of affiliated company	397	397
Cash received through acquisition	30,073	7,336
Net cash used in investing activities	(35,279)	(43,832)
Cash flows from financing activities		
Contributions restricted for long-term use	5,478	67
Proceeds from debt issuance	36,419	67,559
Payment of long-term debt	(53,843)	(85,438)
Debt issuance costs	(250)	(547)
Net cash used in financing activities	(12,196)	(18,359)
Net increase in cash and cash equivalents	74,987	63,564
Cash and cash equivalents		
Beginning of year	173,865	110,301
End of year	$ 248,852	$ 173,865
Supplemental cash flow information		
Cash paid during the year for interest	$ 21,233	$ 19,459
Capital expenditures included in accounts payable	4,765	3,460
Increase in fair value of assets acquired	2,634	5,390
Assets acquired under capital lease	-	571
Noncash increase in other current assets and long term debt associated with debt issuance	9,903	-

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

1. Organization

Fletcher Allen Partners, Inc ("FAP"), established as of October 1, 2011, is a non-profit, tax-exempt Vermont corporation and the sole corporate member of Fletcher Allen Health Care, Inc , Central Vermont Medical Center, Inc , and Community Providers, Inc FAP became the sole corporate member of Fletcher Allen Health Care, Inc and Central Vermont Medical Center, Inc on October 1, 2011, and Community Providers, Inc on January 1, 2013 FAP's purpose is to establish an integrated regional health care system for the development of a highly coordinated health care network to improve the quality, increase the efficiencies, and lower the costs of health care delivery in the regions it serves

Fletcher Allen Health Care, Inc ("FAHC") is a tertiary care teaching hospital that, in affiliation with The University of Vermont ("UVM"), serves as Vermont's Academic Medical Center As a regional referral center, FAHC provides advanced level care throughout Vermont and Northern New York, with a full time emergency department which is also certified as a Level 1 Trauma Center It is FAHC's mission to improve the health of the people in the communities that it serves by integrating patient care, education, and research in a caring environment As a charitable organization, FAHC lives its mission through a number of community benefit programs, many done in collaborative partnership with other community based organizations These include, but are not limited to, community wellness programs, education, direct grants, free access to a community health resource center, direct financial assistance to patients, and other subsidized programs

FAHC is the sole member of the following subsidiaries Fletcher Allen Health Ventures, Inc ("FAHV"), University of Vermont Medical Group ("UVM Medical Group"), Fletcher Allen Coordinated Transport, LLC ("FACT"), Fletcher Allen Skilled Nursing Care, LLC ("FASN"), Fletcher Allen Health Care Foundation, Inc ("FAHC Foundation"), Fletcher Allen Executive Services, LLC ("FAES"), and VMC Indemnity Company Ltd ("VMCIC") Vermont Managed Care, Inc ("VMC") is a wholly owned subsidiary of FAHV The following entities are partly owned or controlled by FAHC Medical Education Center Condominium Association, Inc , OB Net Services, LLC, Copley Woodlands, Inc , Fletcher Allen Medical Group, PLLC ("FAMG"), and OneCare Vermont Accountable Care Organization, LLC ("OCV")

Central Vermont Medical Center, Inc ("CVMC") provides health care services under three distinct business units Central Vermont Hospital, Woodridge Rehabilitation and Nursing ("Woodridge"), and Central Vermont Medical Group Practice CVMC works collaboratively to meet the needs and improve the health of the residents of central Vermont CVMC's hospital provides 24-hour emergency care and has a full spectrum of inpatient and outpatient services

Community Providers, Inc ("CPI") is incorporated as a not-for-profit corporation under the laws of the state of New York CPI's primary purpose is to develop and coordinate a community and regionally focused healthcare system that provides appropriate, cost-effective care, emphasizing wellness and prevention, and promising both public and patient education

CPI includes Champlain Valley Physician Hospital Medical Center ("CVPH"), Mediquest Corp ("Mediquest"), Emergency Medical Transport of CVPH, Inc ("EMT"), Champlain Valley Health Network, Inc ("CVHN"), and Elizabethtown Community Hospital ("ECH") CVPH is the sole member of the CVPH Medical Center Foundation, Champlain Valley Open MRI, LLC, and Valcour Imaging, Inc

2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements have been prepared on the accrual basis of accounting and include the accounts of FAP and its subsidiaries for which it serves as the sole corporate member All significant intercompany balances and transactions have been eliminated in consolidation The assets of members of the consolidated group may not be available to meet the obligations of another member of the group

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 Estimates also affect the reported amounts of revenues and expenses during the reporting period Significant estimates include the allowances for doubtful accounts and contractual allowances, receivables and accruals for estimated settlements with third-party payers, contingencies, self-insurance program liabilities, accrued medical claims, pension and postretirement costs, and the valuation of investments and interest rate swaps Actual results could differ from those estimates

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments with maturities of three months or less when purchased, excluding amounts classified as assets whose use is limited or restricted

Most of FAP's banking activity, including cash and cash equivalents, is maintained with several national banks and from time to time cash deposits exceed federal insurance limits It is FAP's policy to monitor these banks' financial strength on an ongoing basis

Inventories

Inventories are stated using the lesser of average cost or fair value

Prepaid and Other Current Assets

Prepaid and other current assets include miscellaneous nonpatient receivables and prepaid expenses primarily related to software maintenance and other contracts The carrying value of prepaid and other current assets is reviewed if the facts and circumstances suggest that it may be impaired

Assets Whose Use is Limited or Restricted

Assets whose use is limited or restricted primarily include board-designated assets, assets held by trustees under indenture agreements, donor-restricted assets, and restricted assets which are held for insurance-related liabilities Board-designated assets may be used at the Board's discretion A significant portion of the assets are made up of investments

Investments and Investment Income
Investments in equity securities, mutual funds, and common collective trusts with readily determinable fair market values and all investments in debt securities are recorded at fair value Investment income or loss (including realized gains and losses on investments, interest, and dividends), to the extent not capitalized, is included in nonoperating gains (losses), unless the income or gain (loss) is restricted by donor or law Realized gains or losses on the sale of investments are determined by use of average costs Unrealized gains and losses on investments carried at fair value are excluded from the excess of revenue over expenses and reported as an increase or decrease in net assets Declines in fair value that are judged to be other-than-temporary are reported as realized losses

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

FAP reviews its investments to identify those for which fair value is below cost FAP then makes a determination as to whether the investment should be considered other-than-temporarily impaired FAP recognized $1,047,000 and $778,000 in losses related to declines in value that were other-than-temporary in nature in the years ended September 30, 2013 and 2012, respectively

Property and Equipment
Property and equipment acquisitions are recorded at cost or, in the case of gifts, at fair market value at the date of the gift Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed using the straight-line method Equipment under capital lease obligations is amortized using the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment Such amortization is included in depreciation and amortization in the consolidated financial statements

Depreciation is calculated using the following estimated useful lives

Land improvements	15 – 25 years
Building and improvements	7 – 40 years
Fixed equipment	5 – 20 years
Major moveable equipment	2 – 20 years

Gifts of long-lived assets, such as land, buildings, or equipment, are reported as unrestricted support and are excluded from the excess of revenue over expenses, unless explicit donor stipulations specify how the donated assets must be used Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support Absent explicit donor stipulations about how long these long-lived assets must be maintained, expiration of donor restrictions is reported when the donated or acquired long-lived assets are placed in service

Impairment of Long-Lived Assets
Long-lived assets to be held and used are reviewed for impairment whenever circumstances indicate that the carrying amount of an asset may not be recoverable Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value, less costs to sell

Costs of Borrowing
Interest cost incurred on borrowed funds during the period of construction of capital assets, net of investment income on borrowed assets held by trustees, is capitalized as a component of the cost of acquiring those assets Approximately $358,000 and $339,000 of interest was capitalized during the years ended September 30, 2013 and 2012, respectively Net deferred financing costs totaled $13,956,000 and $13,150,000 at September 30, 2013 and 2012, respectively Such amounts are reported within other assets and are amortized over the period the related obligations are outstanding using the effective interest method Accumulated amortization of deferred financing costs totaled $8,290,000 and $9,746,000 at September 30, 2013 and 2012, respectively

Temporarily and Permanently Restricted Net Assets
Temporarily restricted net assets are those whose use by FAP has been limited by donors or law to a specific time period or purpose Permanently restricted net assets have been restricted by donors to be maintained by FAP in perpetuity

Consolidated Statement of Operations
For purposes of display, transactions deemed by management to be ongoing, major, or central to the provision of health care services are reported as unrestricted revenue and other support and expenses Peripheral or incidental transactions are reported as nonoperating gains (losses)

Excess of Revenue Over Expenses
The consolidated statement of operations includes excess of revenue over expenses Changes in unrestricted net assets which are excluded from the excess of revenue over expenses, consistent with industry practice, primarily include unrealized gains and losses on investments (other than those on which other-than-temporary losses are recognized), contributions of long-lived assets (including assets acquired using contributions restricted by donors for acquiring such assets), and pension related adjustments

Net Patient Service Revenue
Net patient service revenue is reported at the estimated net realizable amounts due from patients, third-party payers, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payers Under the terms of various agreements, regulations, and statutes, certain elements of third-party reimbursement are subject to negotiation, audit, and/or final determination by the third-party payers In addition, laws and regulations governing Medicare and Medicaid programs are complex and subject to interpretation As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term Differences between amounts previously estimated for retroactive adjustments and amounts subsequently determined to be recoverable or payable are included in net patient service revenue in the year that such amounts become known Changes in prior-year estimates increased net patient service revenue by approximately $3,202,000 and $12,723,000 in the years ended September 30, 2013 and 2012, respectively

FAP has agreements with third-party payers that provide for payments to FAP at amounts different from its established rates A summary of the payment arrangements with major third-party payers follows

Medicare
Inpatient acute-care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors Inpatient rehabilitation services are paid based on a prospective per discharge methodology These rates vary according to a patient classification system based upon services provided, the patient's level of functionality and other factors Outpatient services are paid based upon a prospective standard rate for procedures performed or services rendered FAP is reimbursed for cost-reimbursable items at tentative rates, with final settlement determined after submission of annual cost reports by FAP and audits thereof by the Medicare Audit Contractor ("MAC") Medicare reimbursement for professional billings is determined by a standard fee schedule that is determined by the Centers for Medicare and Medicaid Services of the U S Department of Health and Human Services The percentage of net patient service revenue derived from the Medicare program was approximately 31% and 28% in the years ended September 30, 2013 and 2012, respectively

Medicaid
Inpatient services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge As with Medicare, reimbursement is based on a diagnosis-related group ("DRG") system that is based on clinical, diagnostic, and other factors For inpatient rehabilitation and neonatal cases, additional reimbursement is paid through a per diem add-on For inpatient psychiatric cases, reimbursement is based on a per diem rate calculation, including adjustments for diagnostic factors and length of stay Outpatient services rendered to Medicaid beneficiaries are paid based upon a prospective standard rate Certain laboratory, mammography, therapy, and dialysis services are paid on a fee schedule Medicaid reimbursement for professional services is determined by a standard fee schedule The Medicaid program accounts for approximately 11% of FAP's net revenue in each of the years ended September 30, 2013 and 2012

Managed Care and Commercial Insurers
Services rendered to patients with commercial insurance are generally reimbursed at standard charges, less a negotiated discount or according to DRG or negotiated fee schedules Approximately 44% and 46% of FAP's net revenues were derived from contracted insurers in the years ended September 30, 2013 and 2012, respectively Approximately 9% of FAP's net revenues were derived from noncontracted insurers in each of the years ended September 30, 2013 and 2012

VMC negotiates contracts with insurers and other payers for the provision of health care services through participating providers associated with its network As a result, VMC is currently managing and/or has entered into contracts with managed care plans on behalf of FAP and its network providers Under the terms of these agreements, VMC provides managed care services to subscribers of the managed care plans who select VMC as their primary health plan provider Payments to FAP from VMC for services on behalf of respective managed care plan subscribers are based on a discounted fee for service or a predetermined fee schedule

VMC has agreements with various Health Maintenance Organizations ("HMO") to provide medical services to subscribing participants Under these agreements, VMC receives monthly capitation payments based on the number of each HMO's participants regardless of services actually performed These revenues are subsequently disbursed to participating providers based on both discounted fee for service schedules and predetermined payment rates Participating providers share a limited degree of risk through a set withhold that is only paid if cost and utilization targets are met

Enhanced Medicaid Graduate Medical Education Revenues (Hospital and Professional)
Under an Amendment to the Vermont State Medicaid Plan TN#11-019 (the "State Plan Amendment"), FAHC received increased Vermont Medicaid payments to support graduate medical education ("GME") during fiscal year 2013 The State Plan Amendment was approved by the Centers for Medicare and Medicaid Services in May 2013 with an effective date of July 1, 2011, the date of submission by the State's Department of Vermont Health Access The State Plan Amendment provided for enhanced Medicaid payments of GME through two funding mechanisms (1) payments to "qualified teaching hospitals" and (2) payments to "qualified teaching physicians " Under the definitions contained in the State Plan Amendment, FAHC is a qualified teaching hospital and physicians employed by UVM Medical Group are qualified teaching physicians

The nonfederal source of these payments was provided by payments from the University of Vermont ("UVM") from its governmental appropriations from the State of Vermont ("the State") UVM has entered into a contract with the State to provide annual amounts during the State's fiscal year as the nonfederal share of GME payments for that year FAHC expects that UVM will enter into similar contracts for subsequent years, though there is no assurance of this FAHC entered into a contract with the State, by which FAHC agrees to assess and monitor program benefits to Medicaid beneficiaries and to report to the State annually on its performance on certain quality measures and improvement focus areas for Medicaid beneficiaries pertaining to FAHC's GME programs, and the State agrees to provide GME payments to FAHC during the State fiscal year FAHC expects to enter into similar contracts with the State for future years, but these are subject to continued funding by UVM of the nonfederal source The State, FAHC and UVM have also entered into a Memorandum of Understanding ("MOU"), dated June 10, 2013 that describes the State Plan Amendment and these funding arrangements

In June 2013, FAHC received GME funding from the State under the State Plan Amendment totaling $67 2 million, of which approximately $59 6 million had been collected and $7 6 million remained outstanding at September 30, 2013 The $67 2 million includes reimbursement to FAHC as a qualified teaching hospital in an amount of $18 6 million and reimbursement to the UVM Medical Group as qualified teaching physicians in an amount of $48 6 million Of the $67 2 million recorded in 2013, $37 2 million was for prior fiscal years, covering the period since the effective date of the State Plan Amendment Under the MOU, both UVM and the State retain the right to discontinue GME payments at any time in the future

Premium Revenue
VMC has agreements with various insurers to provide medical services through its provider network to subscribing participants Under these agreements, VMC receives monthly capitation payments based on the number of each insurer's participants, regardless of services actually performed by VMC's network of providers

Other Revenue
Other revenue consists primarily of research revenue, sales of pharmaceuticals and related products, cafeteria sales, meaningful use revenue under governmental Electronic Health Records Incentive programs, parking garage income, net assets released from restrictions used for operations, and rental income

Research Grants and Contracts
Revenue related to research grants and contracts is recognized as the related costs are incurred Research grants and contracts are accounted for as exchange transactions Amounts received in advance of incurring the related expenditures are recorded as unexpended research grants and are included within accrued expenses Amounts expended in advance of the receipt of funding are included within patient and other trade accounts receivable

Reserves for Outstanding Losses and Loss-Related Expenses for Malpractice and Workers' Compensation Claims
The liabilities for outstanding losses and loss-related expenses and the related provision for losses and loss-related expenses include estimates for malpractice losses incurred but not reported, losses pending settlement, as well as for workers' compensation claims and underwriting expenses Such liabilities are necessarily based on estimates and, while management believes the amounts provided are adequate, the ultimate liabilities may be in excess of or less than the amounts provided As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term The methods for making such estimates and the resulting liabilities are actuarially reviewed on an annual basis and any adjustments required are reflected in current operations

Income Taxes
FAP, FAHC, CVMC, UVM Medical Group, FAMG, FAHC Foundation, CVPH, EMT, ECH and CPI are incorporated and recognized by the Internal Revenue Service ("IRS") as tax-exempt under Section 501(c) (3) of the Internal Revenue Code (the "Code") Accordingly, the IRS has determined that FAP, FAHC, CVMC, UVM Medical Group, FAMG, FAHC Foundation, CVPH, EMT, ECH and CPI are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code FACT, FAES and FASN are single-member limited liability corporations As such, for tax purposes, FACT, FAES, and FASN are treated as divisions of FAHC OCV is a limited liability company taxed as a partnership Earnings and losses are passed through to the owners, both of which are tax-exempt, and are treated in the same manner for tax purposes No provision for federal income taxes has been recorded in the accompanying consolidated financial statements for these organizations

FAHV, VMC, Mediquest and CVHN are for-profit subsidiaries subject to federal and state taxation The tax provisions and related tax assets and liabilities for these entities are not material to the consolidated financial statements

FAP accounts for recognition and measurement of uncertain tax positions in accordance with ASC 740 No provision for uncertain tax positions is recorded in the accompanying consolidated financial statements

VMCIC is currently not a taxable entity under the provisions of the territory of Bermuda and, accordingly, no provision for taxes has been recorded by VMCIC In the event that such taxes are levied, VMCIC has received an undertaking from the Bermuda Government exempting it from all such taxes until March 31, 2035

Asset Retirement Obligations
FAP recognizes a liability for the fair value of a conditional asset retirement obligation if the fair value of the liability can be reasonably estimated Uncertainty about the timing and/or method of settlement of a conditional asset retirement obligation is factored into the measurement of the liability when sufficient information exists The types of asset retirement obligations that FAP considers are those for which it has a legal obligation to perform an asset retirement activity, however, the timing and/or method of settling the obligation are conditional on a future event that may or may not be within its control The fair value of a liability for the legal obligation associated with an asset retirement is recorded in the period in which the obligation is incurred When the liability is initially recorded, the cost of the asset retirement is capitalized

The estimated future undiscounted value of the asset retirement obligation is approximately $2,796,000 and $1,272,000 at September 30, 2013 and 2012, respectively, substantially all of which relates to the estimated costs to remove asbestos that is contained within FAP's facilities The initial asset retirement obligation was calculated using a discount rate of 4 5%-6 0% The recorded asset retirement obligation at September 30, 2013 and 2012 was approximately $1,616,000 and $1,082,000, respectively

Defined Benefit Pension and Other Postretirement Benefit Plans
FAP recognizes the overfunded or underfunded status of its defined benefit pension and other postretirement benefit plans (collectively, "postretirement benefit plans") in the balance sheet Changes in the funded status of the plans are reported in the year in which the changes occur as a change in unrestricted net assets presented below the excess of revenue over expenses in the consolidated statements of operations and changes in net assets

Fair Value Measurements
Fair value is defined 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 (also referred to as an "exit price") A fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability In determining fair value, the use of various valuation approaches, including market, income, and cost approaches, is permitted

GAAP establishes a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumption about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy)

FAP uses the following fair value hierarchy to present its fair value disclosures

Level 1 Quoted (unadjusted) prices for identical assets or liabilities in active markets Active markets are those in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis

Level 2 Other observable inputs, either directly or indirectly, including

- Quoted prices for identical or similar assets in nonactive markets (few transactions, limited information, noncurrent prices, high variability over time)

- Inputs other than quoted prices that are observable for the asset (interest rates, yield curves, volatilities, default rates)

- Inputs that are derived principally from or corroborated by other observable market data

Level 3 Unobservable inputs that cannot be corroborated by observable market data

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value

Mutual Funds
The fair values of mutual funds are based on quoted market prices for identical assets in active markets

Money Market Funds
The fair values of money market funds are based on quoted market prices

Bonds and Notes
The estimated fair values of debt securities are based on quoted market prices and/or other market data for the same or comparable instruments and transactions in establishing the prices The marketable debt securities classified as Level 2 were classified as such due to the usage of observable market prices for similar securities that are traded in less active markets or when observable market prices for identical securities are not available Marketable debt instruments are priced using nonbinding market consensus prices that are corroborated with observable market data, quoted market prices for similar instruments, or pricing models, such as a discounted cash flow model, with all significant inputs derived from or corroborated with observable market data These Level 2 debt securities primarily include corporate bonds, notes and other debt securities

Common Collective Trusts and Hedge Funds
The estimated fair values of common collective trusts and hedge funds are determined based upon the net asset value ("NAV") provided by the fund managers and assessed for reasonableness by management Such information is generally based on the pro-rata interest in the net assets of the underlying investments within the fund There are no unfunded commitments or liquidity restrictions related to these common collective trusts at September 30, 2013 FAP is able to redeem its investment in hedge funds on a calendar quarter basis after providing 90 days notice

Beneficial Interest in Perpetual Trusts
The estimated fair values of FAP's beneficial interests in perpetual trusts are determined based upon information provided by the trustees and assessed for reasonableness by management Such information is generally based on the pro-rata interest in the net assets of the underlying investments within the trust, which approximates fair value

Interest Rate Swap Agreements
Interest rate swap agreements are valued at the present value of the estimated series of cash flows resulting from the exchange of fixed rate payments for floating rate payments from the counterparty over the remaining life of the contract from the balance sheet date Each floating rate payment is calculated based on forward market rates at the valuation date for each respective payment date The valuation based on the estimated series of cash flows is obtained from third parties and assessed by management for reasonableness Because the inputs used to value the contract can generally be corroborated by market data, the fair value is categorized as Level 2

3. Community Providers, Inc. Affiliation

On January 1, 2013, FAP and CPI entered into an affiliation agreement whereby FAP became the sole member of CPI In accordance with applicable accounting guidance on not-for-profit mergers and acquisitions, FAP recorded contribution income of $49,990,000 reflecting the fair value of the contributed net assets of CPI on the transaction date Of this amount, $45,479,000 represents unrestricted net assets and is included as a nonoperating gain in the accompanying consolidated statement of operations Temporarily restricted net assets and permanently restricted net assets of $2,954,000 and $1,557,000, respectively, were recorded as restricted contribution income in the accompanying consolidated statement of changes in net assets

The consolidated statement of operations reflects the activity of CPI from the date of the transaction (January 1, 2013) to September 30, 2013 No consideration was exchanged for the net assets contributed The fair value of assets, liabilities, and net assets contributed by CPI at January 1, 2013 were as follows

(in thousands)

Assets		
Cash and cash equivalents	$	30,073
Assets limited as to use and investments		40,898
Patient accounts receivable, net		45,207
Property plant and equipment		122,376
Other assets		14,313
Total assets acquired	$	252,867
Liabilities		
Accounts payable and accrued expenses	$	25,612
Estimated amounts due to third party payers		10,444
Long-term debt and interest rate swaps		102,675
Accrued pension and post-retirement benefits		47,858
Other liabilities		16,288
Total liabilities assumed		202,877
Net Assets		
Unrestricted		45,479
Temporary restricted		2,954
Permanently restricted		1,557
Total net assets		49,990
	$	252,867

A summary of the financial results of CPI included in the consolidated statement of operations for the period from the date of acquisition, January 1, 2013, through September 30, 2013 is as follows

(in thousands)

Total operating revenues	$ 233,287
Total operating expenses	231,684
Operating income	1,603
Nonoperating gains	5,645
Excess of revenues over expenses	7,248
Net assets released from restriction used for capital purchases	5,734
Change in net unrealized gains on investments	985
Pension adjustment	22,793
Increase in unrestricted net assets	$ 36,760

A summary of the consolidated financial results of Fletcher Allen Partners for the years ended September 30, 2013 and 2012, as if the affiliation had occurred on October 1, 2011 is as follows (unaudited)

(in thousands)	2013	2012
Total operating revenues	$ 1,582,379	$ 1,451,141
Total operating expenses	1,537,630	1,426,985
Operating income	44,749	24,156
Nonoperating gains	103,107	79,338
Excess of revenues over expenses	147,856	103,494
Pension related changes	56,321	(35,070)
Other changes	(11,240)	32,653
Increase in unrestricted net assets	$ 192,937	$ 101,077

4. Charity Care and Community Service

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

The amount of charges foregone for services and supplies furnished under FAP's charity care policy aggregated approximately $36,666,000 and $27,685,000 for the years ended September 30, 2013 and 2012, respectively

Approximately $15,215,000 and $11,640,000 of FAP's total expenses for the years ended September 30, 2013 and 2012 arose from providing services to charity patients The estimated costs of providing charity services are based on a calculation which applies a ratio of costs to charges to the gross uncompensated charges associated with providing care to charity patients The ratio of cost to charges is calculated based on FAP's total expenses divided by gross patient service revenue For the years ended September 30, 2013 and 2012, respectively, FAP used $240,000 and $285,000 in charitable endowment earnings to help defray the costs of indigent care

5. Assets Whose Use is Limited or Restricted

Assets whose use is limited or restricted at September 30, 2013 and 2012 consisted of the following

(in thousands)	2013	2012
Equities	$ 14,746	$ 1,247
Mutual funds	79,044	98,922
Money market funds	21,948	22,006
Bonds and notes	37,981	41,865
Common collective trusts		
Bond funds	137,619	74,125
U S treasury obligation funds	37,634	45,630
International equity funds	53,127	34,861
Domestic equity funds	25,121	58,749
Commodity funds	26,448	20,392
Real estate funds	14,908	19,876
Total common collective trusts	294,857	253,633
Beneficial interest in perpetual trusts	10,599	10,093
Hedge funds	2,416	2,229
Real estate	471	300
	462,062	430,295
Less Current portion	(20,845)	(13,132)
	$ 441,217	$ 417,163

Investment income and gains (losses) for the years ended September 30, 2013 and 2012 consisted of the following

(in thousands)	2013	2012
Nonoperating revenue and expenses		
Investment income	$ 7,116	$ 7,386
Net realized gains	31,181	14,282
	38,297	21,668
Net (decrease) increase in unrealized gains on investments	(20,805)	30,945
Changes in temporarily restricted net assets		
Investment income	192	180
Net increase in unrealized gains on investments	1,197	3,099
Net realized gains on investments	1,728	617
	3,117	3,896
Changes in permanently restricted net assets		
Change in beneficial interest in perpetual trusts	506	941
	$ 21,115	$ 57,450

As a result of the recognition of $1,047,000 and $778,000 in losses related to declines in value that were other-than-temporary in nature during the years ended September 30, 2013 and 2012, respectively, there were no investments that had a fair value less than cost at September 30, 2013 and 2012, respectively

The cost and estimated fair value of securities classified as available-for-sale by the organization, which excludes beneficial interest in perpetual trusts of $10,599,000 and $10,093,000, and includes short-term investments of $5,568,000 and $1,932,000 as of September 30, 2013 and 2012, respectively, and long-term investments of $4,002,000 as of September 30, 2013, is as follows

	2013		
(in thousands)	Cost	Gross Unrealized Gains (Losses)	Estimated Fair Value
Mutual funds	$ 73,369	$ 10,077	$ 83,446
Equities	16,382	3,016	19,398
Real estate	294	177	471
Hedge funds	2,142	274	2,416
Money market funds	22,087	-	22,087
Bonds and notes	38,724	(366)	38,358
Common collective trusts	279,813	15,044	294,857
	$ 432,811	$ 28,222	$ 461,033

	2012		
(in thousands)	Cost	Gross Unrealized Gains	Estimated Fair Value
Mutual funds	$ 91,027	$ 9,827	$ 100,854
Equities	1,073	174	1,247
Real estate	165	135	300
Hedge funds	2,143	86	2,229
Money market funds	22,006	-	22,006
Bonds and notes	41,439	426	41,865
Common collective trusts	218,061	35,572	253,633
	$ 375,914	$ 46,220	$ 422,134

The following table presents information as of September 30, 2013 and 2012, about FAP's financial assets and liabilities that are measured at fair value on a recurring basis

	2013			
(in thousands)	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Fair Value
Mutual funds	$ 63,284	$ 20,162	$ -	$ 83,446
Equities	19,398	-	-	19,398
Money market funds	22,087	-	-	22,087
Hedge funds	-	-	2,416	2,416
Bonds and notes	12,921	25,437	-	38,358
Common collective trusts	-	294,857	-	294,857
Beneficial interest in perpetual trusts	-	-	10,599	10,599
Real estate	-	471	-	471
	$ 117,690	$ 340,927	$ 13,015	$ 471,632
Interest rate swap agreements	$ -	$ 17,062	$ -	$ 17,062

	2012			
(in thousands)	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Fair Value
Mutual funds	$ 72,319	$ 28,535	$ -	$ 100,854
Equities	1,247	-	-	1,247
Money market funds	22,006	-	-	22,006
Hedge funds	-	-	2,229	2,229
Bonds and notes	7,731	34,134	-	41,865
Common collective trusts	-	253,633	-	253,633
Beneficial interest in perpetual trusts	-	-	10,093	10,093
Real estate	-	300	-	300
	$ 103,303	$ 316,602	$ 12,322	$ 432,227
Interest rate swap agreements	$ -	$ 14,342	$ -	$ 14,342

A roll forward of Level 3 fair value measurements (defined above) for the years ended September 30, 2013 and 2012, is as follows

	2013		
(in thousands)	Beneficial Interest in Perpetual Trusts	Hedge Funds	Total Level 3 Assets
Beginning of year	$ 10,093	$ 2,229	$ 12,322
Unrealized gains	506	187	693
End of the year	$ 10,599	$ 2,416	$ 13,015
Increase in fair value of Level 3 investments held at September 30, 2013 included in the statement of changes in net assets	$ 506	$ 187	$ 693

	2012		
(in thousands)	Beneficial Interest in Perpetual Trusts	Hedge Funds	Total Level 3 Assets
Beginning of year	$ 9,152	$ -	$ 9,152
Purchases	-	2,254	2,254
Sales	-	(111)	(111)
Unrealized gains	952	86	1,038
Unrealized losses	(11)	-	(11)
End of the year	$ 10,093	$ 2,229	$ 12,322
Increase in fair value of Level 3 investments held at September 30, 2012 included in the statement of changes in net assets	$ 941	$ 86	$ 1,027

6. Property and Equipment

A summary of property and equipment at September 30, 2013 and 2012 is as follows

(in thousands)	2013	2012
Land	$ 20,234	$ 13,526
Land improvements	17,062	14,119
Leasehold improvements	44,204	40,236
Buildings	664,949	568,057
Equipment, furniture, and fixtures	383,061	295,786
	1,129,510	931,724
Less Accumulated depreciation	(538,876)	(472,163)
	590,634	459,561
Construction–in–progress	17,885	11,503
	$ 608,519	$ 471,064

FAP wrote off approximately $3,266,000 and $3,683,000 in assets in the years ended September 30, 2013 and 2012, respectively In conjunction with these write offs, a gain on disposal of property and equipment of $264,000 and $218,000 was recorded in the years ending September 30, 2013 and 2012, respectively, and is included in supplies and other expense At September 30, 2013 and 2012, FAP had commitments to purchase approximately $4,765,000 and $3,460,000, respectively, of property and equipment

FAP recorded depreciation expense of $69,672,000 and $56,436,000 for the years ended September 30, 2013 and 2012, respectively

7. Long-Term Debt

Long-term debt at September 30, 2013 and 2012 consisted of the following

(in thousands)	2013	2012
Vermont Educational and Health Buildings Financing Agency		
Hospital Revenue Bonds		
Series 2009A loan, fixed rate (5 08% to 7 23%), payable through 2024	$ 11,841	$ 12,642
Series 2008A Bonds, variable rate (0 07% at September 30, 2013), payable through 2030	54,705	54,705
Series 2007A Bonds, fixed rate (4 00% to 4 75%), payable through 2037 (including unamortized premium of $90 and $93 at September 30, 2013 and 2012, respectively)	55,945	56,098
Series 2004B Bonds, fixed rate (4 00% to 5 50%), payable through 2035 (including unamortized premium of $125 and $130 at September 30, 2013 and 2012, respectively)	147,100	149,580
Series 2004A Bonds, fixed rate (3 00% to 5 00%), payable through 2025 (including unamortized premium of $1,000 and $1,098 at September 30, 2013 and 2012, respectively)	33,535	35,513
Series 2000A Bonds, fixed rate (5 50% to 6 25%), payable through 2028 (including unamortized discount of $0 and $174 at September 30, 2013 and 2012, respectively)	-	32,376
Series 2013A Bonds, fixed rate (2 60%) payable through 2027	29,337	-
Series 1996 loan, fixed rate (4 23%), payable through 2021	9,889	11,052
Select Auction Variable-Rate Securities ("SAVRS") 1994 Bonds, variable rate maturing 2013 (including unamortized discount of $35 at September 30, 2013)	-	2,915
County of Clinton Industrial Development Agency		
Hospital Revenue Bonds		
Series 2006A & 2006B Bonds, variable rate (0 15% at September 30, 2013), payable through 2017	5,375	-
Series 2007B Bonds, variable rate (0 15% at September 30, 2013), payable through 2042	11,595	-
Essex County Capital Resource Corporation		
Hospital Revenue Bonds		
Series 2011 Bonds, variable rate (1 67% at September 30, 2013), payable through 2032	5,810	-
Other long-term debt		
Series 2002A Key Bank Bonds, variable rate (1 65% at September 30, 2013), payable through 2024	6,450	-
Series 2007A Key Bank Bonds, variable rate (1 65% at September 30, 2013), payable through 2042	18,195	-
Associates in Radiology of Plattsburg, LLC Note Payable, fixed rate (3 00%), payable through 2017	4,218	-
Community Bank Loan Payable, fixed rate (3 50%), payable through 2017	16,555	-
Capital Lease, fixed rate (0 22% to 19 51%), payable through 2017	10,940	-
KeyBank loan, variable rate (1 68% at September 30, 2013), payable through 2023	5,000	-
KeyBank loan, fixed rate (3 49%), payable through 2023	51,870	53,110
People's United loan, variable rate (1 23% at September 30, 2013), payable through 2028	9,903	-
Other Debt	10,146	7,331
	498,409	415,322
Less Current portion	(27,688)	(13,489)
Long–term debt	$ 470,721	$ 401,833

Obligated Group

Fletcher Allen Health Care and Central Vermont Medical Center presently are the sole members of the Fletcher Allen Obligated Group ("FA Obligated Group")

The Master Trust Indenture contains provisions permitting the addition, withdrawal or consolidation of members of the Obligated Group under certain conditions The Master Trust Indenture constitutes joint and several obligations of the members of the Obligated Group

No obligated group exists for the CPI entities

Revenue Bonds

On May 21, 2008, FAHC converted the Series 2004B auction rate bonds from 35-day variable-rate bonds to fixed-rate bonds through a mandatory tender of the bonds as provided for under the original bond agreement The tender was financed through the reissuance of $160,525,000 of Series 2004B bonds as tax-exempt fixed-rate bonds, and a payment of $2,700,000 from FAHC's debt service reserve funds The Series 2004B bonds require FAHC to maintain a debt service reserve fund As of September 30, 2013 and 2012, the reserve fund balances were approximately $14,497,000 and $13,924,000, respectively

Also on May 21, 2008, FAHC in connection with the Vermont Educational and Health Buildings Financing Agency (the "Agency"), issued $54,705,000 of tax-exempt variable-rate hospital revenue bonds ("Series 2008A"), the proceeds of which were used to refund its Series 2000B bonds in the amount of $50,000,000, pay an early termination payment in the amount of $3,128,000 on a related interest rate swap, and pay issuance costs in the amount of $1,577,000 The Series 2008A bonds are collateralized by an irrevocable letter of credit from a bank in the amount of $55,334,000 (covers principal of $54,705,000 and interest of $629,000), which expires in 2016 The interest rate on the Series 2008A bonds is set weekly Series 2008A bondholders have the option to put the bonds back to FAHC Such bonds would be subject to remarketing efforts by FAHC's remarketing agent To the extent that such remarketing efforts were unsuccessful, the nonmarketable bonds would be purchased from the proceeds of the letter of credit Monthly payments of principal on the letter of credit borrowings would commence on the first calendar day of the first month that commences more than one year after the borrowing Repayment in full of the letter of credit would be required by the earlier of four years from the date of the borrowing under the letter of credit or the stated expiration date, currently, April 30, 2016

In conjunction with these transactions, the notional amount of the original swap agreement covering the 2004B bonds was reduced from $135,000,000 to $55,190,000 and transferred to the 2008A bonds in exchange for the payment of $3,128,000

FAHC and certain of its subsidiaries are obligated under various other revenue bonds, capital leases, and notes payable Various trustee-held funds are required under the terms of the loan agreements Under one of the loan agreements, a reserve fund is required only upon the failure to meet certain financial ratios As of September 30, 2013 and 2012, no funding has been required under this agreement

FAHC has granted a mortgage on substantially all of its property and an interest in its gross receipts, as defined in connection with the issuance of its long-term debt

Series 1996 Bond Refinancing

In November 2011, the Series 1996 Bonds were redeemed with the proceeds of a term loan made to CVMC by People's United Bank in the amount of $11,600,000 The term loan has a fixed rate of interest of 4 23% and matures November 1, 2021 Interest payments are made monthly and principal payments in the amount of $582,000 are made semi-annually each May and November, beginning May 1, 2012 and ending on November 1, 2021 The term loan is collateralized with assets, mortgage, and all other collateral securing repayment of the Obligation as defined in the Master Trust Indenture of the Obligated Group

Series 2002A Bonds
The Series 2002A bonds are bank qualified bonds held by Key Bank, payable in annual installments ranging from $500,000 to $700,000, plus interest at one month LIBOR times 0 6501 plus 153 basis points (1 65% at September 30, 2013) through July 2024

Series 2006A & 2006B Bonds
The Series 2006A and 2006B bonds are County of Clinton Industrial Development Agency, Variable Rate Demand Civic Facility Revenue Bonds, Series 2006A (tax-exempt) of $12,650,000 and Series 2006B (taxable) of $100,000, payable in annual installments ranging from $1,210,000 to $1,430,000 plus interest Interest is payable semi-annually at a variable rate reset weekly by a remarketing agent (0 15% at September 30, 2013) from July 1, 2007 through July 1, 2017 The bonds are collateralized by a direct-pay letter of credit with a bank aggregating the outstanding principal amount plus 35 days interest at an assumed rate of 8% per annum for the term of the bonds

Series 2007A Bonds
The Series 2007A bonds are bank qualified bonds held by Key Bank, payable in annual installments ranging from $285,000 to $1,125,000, plus interest at one month LIBOR times 0 6501 plus 153 basis points (1 65% at September 30, 2013) through July 2042

Series 2007B Bonds
The Series 2007B bonds are County of Clinton Industrial Development Agency, Variable Rate Demand Civic Facility Revenue Bonds, Series 2007B (tax-exempt), payable in annual installments ranging from $150,000 to $700,000, plus interest at one month LIBOR times 0 68 (0 15% at September 30, 2013) through July 2042

Series 2011 Bonds
On December 1, 2011, ECH issued Essex County Capital Resource Corporation Revenue Bonds, Series 2011 in the amount of $6,160,000 The Series 2011 bonds were purchased by Key Bank, N A under a bond purchase agreement As part of the agreement, the Series 2011 bonds are subject to mandatory redemption and are subject to optional tender by the bank for purchase by ECH at a price equal to the principal plus accrued and unpaid interest beginning on June 1, 2017 The Series 2011 bonds are collateralized by a mortgage that Key Bank holds with ECH The Series 2011 bonds carry a variable interest rate of 65% of 1-month LIBOR plus 155 basis points (1 67% at September 30, 2013) due in quarterly installments through March 1, 2032

Series 2013A Bonds
The 2000A Bonds were partially refunded in 2011 The remaining $32,550,000 balance of the initial aggregate principal amount of the Series 2000A Bonds with maturities between December 2025 and December 2027 were refunded in March 2013 and replaced with a tax-exempt direct bank private placement with TD Bank (the 2013A bonds), in the aggregate principal amount of $29,500,000 with a final maturity date in December 2027 Bond issuance costs of $250,000 are recorded as deferred financing costs, net and will be amortized over the life of the loan The 2013 refunding resulted in a loss on extinguishment of debt of $1,142,000

People's United Loan
On September 30, 2013, FAHC entered into a mortgage for property ("Holly Court") in the amount of $9,903,000 The mortgage is payable through September 2028, and bears interest at a variable rate equal to one month LIBOR plus 105 basis points (1 23% at September 30, 2013) The proceeds of this mortgage were not received as of September 30, 2013, and a receivable was recorded in the amount of $9,903,000 and is included in other current assets The mortgage proceeds were received on October 1, 2013 Concurrent with the issuance of the Holly Court mortgage payable, an interest rate swap was entered into whereby FAHC pays a fixed rate of 2 67% and receives a variable rate of one month LIBOR

Scheduled Maturities of Long-Term Debt
As of September 30, 2013, scheduled maturities of long-term debt, not including a net unamortized premium of $1,215,000, for the next five years and thereafter are as follows

(in thousands)

Years ending September 30,	
2014	$ 27,688
2015	21,866
2016	20,422
2017	20,603
2018	30,997
Thereafter	375,618
	$ 497,194

Loan Covenants
Under the terms of the master indenture agreement, FA Obligated Group is required to meet certain covenant requirements, as are CVPH and ECH for their respective long-term debt In addition, the indenture provides for restrictions on, among other things, additional indebtedness and dispositions of property of the FA Obligated Group

Letter of Credit
The 2008A letter of credit was not drawn upon as of September 30, 2013, and the scheduled maturities of long-term debt assumes the Series 2008A bonds are not put back to FA Obligated Group If the letter of credit was drawn upon, the repayment would begin one year and one day from the date of the letter of credit being drawn upon The repayment schedule would occur over the remaining three years of the letter of credit term The repayment of principal would be as follows $21,176,000 in year two, $21,176,000 in year three and $12,353,000 in the final year

Line of Credit
CVMC has a bank line of credit that exists with a maximum borrowing of $2,000,000 at September 30, 2013 The line matures on May 31, 2014, and bears interest at the Wall Street Journal prime rate adjusted daily with a floor of 3 25%, with advances collateralized by a portion of board designated funds There was no outstanding balance drawn on this line of credit at September 30, 2013

CPI has an uncollateralized line of credit in the amount of $1,000,000 at September 30, 2013 The interest rate is set at a floating rate equal to LIBOR plus 150 basis points (1 68% at September 30, 2013) There was no outstanding balance on the line of credit at September 30, 2013

CVPH has an available uncollateralized line of credit in the amount of $5,000,000 at September 30, 2013 The interest rate is set at a floating rate equal to LIBOR plus 150 basis points (1 68% at September 30, 2013) At September 30, 2013, CVPH had borrowings under the line of credit of $5,000,000

Long-Term Debt
The estimated fair value of FAP's long-term debt is based on current traded value for public debt and current outstanding par amount for private placement debt and property loans Such amounts at September 30, 2013 and 2012 are approximately $501,679,000 and $355,212,000, respectively

8. Interest Rate Swap Agreements

For certain variable rate debt, interest rate swap agreements are used to manage interest rate risk and hedge the risk of cash flow volatility The table below details FAP's swap agreements None of the swap agreements require collateral posting Both FAP and the counterparties in the interest rate swap agreements are exposed to credit risk in the event of nonperformance or early termination of the agreements In addition, each agreement may be terminated following the occurrence of certain events, at which time FAP or the counterparty may be required to make a termination payment to the other

Bond Series	Notional Amount September 30, 2013 ($ in 000's)	Notional Amount September 30, 2012 ($ in 000's)	Counterparty	Expiration Date	Pay Fixed	Receive Floating
2008A	$ 27,595	$ 27,595	Citibank, NA	December 1, 2034	3 76 %	66 5% of LIBOR + 32bps
2008A	27,595	27,595	Citibank, NA	December 1, 2034	3 76 %	66 5% of LIBOR + 32bps
SAVRS 1994	-	2,950	Lehman Bros Special Financing, Inc	September 12, 2013	4 93 %	Variable SIFMA
Holly Court Loan	9,902	-	Peoples United Bank	September 30, 2028	3 72 %	LIBOR + Swap Rate
Series 2006A	5,375	5,375	Key Bank	July 1, 2017	3 50 %	69 0% of LIBOR
Series 2007B	11,595	11,595	Key Bank	July 1, 2042	4 06 %	68 0% of LIBOR
Series 2007A	18,195	18,195	Key Bank	July 1, 2042	4 00 %	65 0% of LIBOR
Series 2011	5,205	5,205	Key Bank	December 1, 2021	3 24 %	65 0% of LIBOR

The fair value of interest rate swap agreements, all of which are recorded as other long-term liabilities at September 30, is as of follows

(in thousands)	Fair Value 2013	2012
1994 Swap	$ -	$ (128)
2008A Swaps	(8,566)	(14,214)
Holly Court Swap	(155)	-
2006A Swap	(385)	-
2007B Swap	(2,789)	-
2007A Swap	(4,499)	-
2011 Swap	(668)	-
	$ (17,062)	$ (14,342)

The effect of interest rate swap agreements on the consolidated statement of operations and changes in net assets for 2013 and 2012 are as follows

(in thousands)	Location of Gain/Loss Recognized in Statement of Operations	Amount of Gain (Loss) Recognized in Statement of Operations 2013	2012
1994 Swap	Gain (loss) on interest rate swap agreements	$ 128	$ 234
2008A Swaps	Gain (loss) on interest rate swap agreements	5,648	(1,500)
Holly Court Swap	Gain (loss) on interest rate swap agreements	(155)	-
2006A Swap	Gain (loss) on interest rate swap agreements	166	N/A
2007B Swap	Gain (loss) on interest rate swap agreements	1,335	N/A
2007A Swap	Gain (loss) on interest rate swap agreements	2,051	N/A
2011 Swap	Gain (loss) on interest rate swap agreements	277	N/A
		$ 9,450	$ (1,266)

9. Operating Leases

FAP has entered into certain operating lease agreements for the rental of building space and equipment Rental expense, inclusive of common area maintenance charges, amounted to $15,840,000 and $12,654,000 for the year ended September 30, 2013 and 2012, respectively

Minimum future lease payments required under noncancelable operating leases at September 30, 2013, were as follows

(in thousands)

Years ending September 30,	
2014	$ 9,231
2015	8,354
2016	7,087
2017	5,037
2018	2,869
Thereafter	4,434
	$ 37,012

10. Net Assets

Temporarily Restricted Net Assets

At September 30, 2013 and 2012, temporarily restricted net assets are available for the following purposes

(in thousands)	2013	2012
Indigent care	$ 1,037	$ 1,005
Education and research	11,791	10,951
Children's programs	3,141	2,437
Capital projects	2,047	710
Other health care services	12,604	10,501
Long-term care services at Woodridge	1,880	1,635
	$ 32,500	$ 27,239

At September 30, 2013 and 2012, temporarily restricted net assets include approximately $17,656,000 and $16,126,000, respectively, of accumulated gains on permanently restricted net assets, which are subject to board appropriation in accordance with state law

Permanently Restricted Net Assets

At September 30, 2013 and 2012, income earned on permanently restricted net assets is restricted to

(in thousands)	2013	2012
Indigent care	$ 4,705	$ 4,143
Education and research	7,094	6,902
Other health care services	18,804	17,391
Long-term care services	729	729
	$ 31,332	$ 29,165

Endowment Funds

FAP's endowment consists of approximately 92 funds established for a variety of purposes FAP does not currently have any unrestricted funds designated by the Board of Trustees (the "Board") to function as endowment Accordingly, for the purposes of this disclosure, endowment funds include only donor-restricted endowment funds As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions

Interpretation of Relevant Law

FAP has interpreted relevant state laws for the states in which it operates as requiring realized and unrealized gains of permanently restricted net assets to be retained in a temporarily restricted net asset classification until appropriated by the Board and expended These state laws allow the Board to appropriate the net appreciation of permanently restricted net assets as is prudent considering FAP's long and short-term needs, present and anticipated financial requirements, and expected total return on its investments, price level trends, and general economic conditions In the years ended September 30, 2013 and 2012, $1,116,000 and $751,000, respectively, was appropriated

As a result of this interpretation, FAP classifies as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment when explicit donor stipulations requiring permanent maintenance of the historical fair value are present, and (b) the original value of subsequent gifts to the permanent endowment when explicit donor stipulations requiring permanent maintenance of the historical fair value are present The remaining portion of the donor-restricted endowment fund is comprised of accumulated gains not required to be maintained in perpetuity These amounts are classified as temporarily restricted net assets until those amounts are appropriated for expenditure in a manner consistent with the donor's stipulations FAP considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds duration and preservation of the fund, purposes of the donor-restricted endowment funds, general economic conditions, the possible effect of inflation and deflation, and the expected total return from income and the appreciation of investments, other resources of FAP, and the investment policies of FAP

Endowment Net Asset Composition and Changes in Endowment Net Assets

The following is a summary of the endowment net asset composition by type of fund at September 30, 2013 and 2012, and the changes therein for the years then ended

Endowment Net Asset Composition by Type of Fund

	2013			
(in thousands)	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
September 30, 2013				
Donor-restricted endowment funds	$ -	$ 17,656	$ 20,733	$ 38,389
	$ -	$ 17,656	$ 20,733	$ 38,389

	2012			
(in thousands)	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
September 30, 2012				
Donor-restricted endowment funds	$ -	$ 16,126	$ 19,072	$ 35,198
Adjustments for funds with deficiencies	(44)	44	-	-
	$ (44)	$ 16,170	$ 19,072	$ 35,198

Changes in endowment net assets

	2013			
(in thousands)	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at September 30, 2012	$ (44)	$ 16,170	$ 19,072	$ 35,198
Acquired endowment net assets at October 1, 2012	-	14	1,557	1,571
Investment return				
Investment income	-	298	-	298
Net appreciation	-	2,422	-	2,422
Total investment return	-	2,720	-	2,720
Appropriations of endowment assets for expenditure	-	(1,116)	-	(1,116)
Adjustment for funds with deficiencies	44	(44)	-	-
Other	-	(88)	104	16
Endowment net assets at September 30, 2013	$ -	$ 17,656	$ 20,733	$ 38,389

	2012			
(in thousands)	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at September 30, 2011	$ -	$ 8,891	$ 15,839	$ 24,730
Acquired endowment net assets at October 1, 2011	(163)	4,408	3,101	7,346
Investment return				
Investment income	-	251	-	251
Net appreciation	-	3,555	-	3,555
Total investment return	-	3,806	-	3,806
Appropriations of endowment assets for expenditure	-	(751)	-	(751)
Adjustment for funds with deficiencies	119	(119)	-	-
Other	-	(65)	132	67
Endowment net assets at September 30, 2012	$ (44)	$ 16,170	$ 19,072	$ 35,198

Beneficial Interest in Perpetual Trusts

The above amounts exclude FAP's beneficial interest in perpetual trusts, which are not within management's investment control Such beneficial interests totaled $10,599,000 and $10,093,000 at September 30, 2013 and 2012, respectively

Charitable Remainder Trust

FAP has received an irrevocable charitable remainder trust, for which FAP does not serve as trustee For this trust, FAP recorded its beneficial interest in those assets as contributions revenue and pledges receivable at the present value of the expected future cash inflows Trusts are recorded at the date FAP has been notified of the trust's existence and sufficient information regarding the trust has been accumulated to form the basis for an accrual Changes in the value of these assets are recorded in either temporarily or permanently restricted net assets

Funds With Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor requires FAP to retain as a fund of perpetual duration There were no deficiencies at September 30, 2013, and the deficiency at September 30, 2012 was $44,000, associated with one permanently restricted endowment fund which is managed by a trustee outside of the control of FAP management

Investment Return Objectives and Spending Policy
FAP has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to the programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s) Under this policy, the endowment assets are invested in a manner to generate returns at least equal to and preferably greater than the consumer price index To satisfy its return objective, FAP targets a diversified asset allocation that provides for a balanced portfolio

11. Malpractice and Other Contingencies

Malpractice and Workers' Compensation

FAHC and CVMC are insured against malpractice losses under a claims-made insurance policy with VMCIC, its wholly owned subsidiary VMCIC has reinsurance with commercial carriers for coverage above a self-insured retainage amount of $5,000,000 per claim for Professional Liability and $2,000,000 per claim for Commercial General Liability, with a $20,000,000 aggregate for Professional Liability and $10,000,000 for Commercial General Liability, with limits on such reinsurance VMCIC provides claims-made coverage to certain affiliates of FAHC for periods prior to the merger that created FAHC

CVPH self-insures for professional and general liability claims A revocable trust has been established for the purpose of setting aside assets based on actuarial funding recommendations The self-insurance liability reserves and the corresponding charges to operating expenses are based on estimates of asserted and currently identifiable unasserted claims, if any, and related legal expenses, and a provision for unknown incidents The professional and general liability reserves are reported at their estimated undiscounted value CVPH maintains excess commercial professional liability insurance policies which provide for self-insured retention limits of $2,000,000 per claim and $4,000,000 in the aggregate per policy year

ECH is insured for malpractice claims under a claims-made policy Coverage under this plan is limited to $2,000,000 per incident and $6,000,000 in the aggregate

FAP, excluding ECH (discussed below), is also self-insured for workers' compensation claims, and maintains an excess insurance policy to limit its exposure on claims up to $1,000,000 per occurrence in the year ended September 30, 2013, with a $25,000,000 aggregate limit

Prior to 2010, ECH provided for workers' compensation insurance through participation in the Healthcare of New York Workers Compensation Trust ("Trust"), a group self-insured trust regulated by the New York State Workers' Compensation Board ("WCB") Participation in the Trust subjects ECH to joint and several liability Should the Trust's assets be insufficient to cover its debts, each Trust member would be subject to a proportional premium assessment to fund the shortage The Trust uses reinsurance agreements to reduce its exposure to large losses on both an individual and aggregate claim basis On December 31, 2011, the Trust was voluntarily terminated ECH has not been notified of any assessment resulting from participation in the Trust In addition, management of ECH monitors the financial stability of the Trust on an ongoing basis in order to mitigate the risk of joint and several liability Effective January 2010, ECH terminated the agreement with the self-insured trust and is covered under an indemnity plan with an insurance company However, ECH remains liable for any claims during the period they were participating in the Trust, including any future assessments of the Trust

The reserves for outstanding losses at FAHC and CVMC have been discounted at a rate of 2 9% and 3 0% at September 30, 2013 and 2012, resulting in a reduction in the reserve for professional liability of approximately $870,000 and $1,810,000 at September 30, 2013 and 2012, respectively, and a reduction in the reserve for workers' compensation of approximately $437,000 and $310,000 at September 30, 2013 and 2012, respectively

As a result of changes in estimates of incurred events in prior years, primarily professional liability, the estimate of incurred losses increased by approximately $7,394,000 and $7,852,000 for the years ended September 30, 2013 and 2012, respectively

Employee Health and Dental Insurance
FAHC maintains a self-insurance plan for employee health and dental insurance Under the terms of the plan, employees and their dependents are eligible for participation and, as such, FAHC is responsible for the administration of the plan and any resultant liability incurred FAHC maintained a stop-loss insurance policy to limit its exposure on cumulative claims between $100,000 and $175,000 per member per year in the year ended September 30, 2013, with a per-year benefit maximum equal to the amount of premiums paid under the policy In addition to the self-insurance plan, FAHC maintained a commercial policy to limit its exposure on cumulative claims exceeding $225,000 per member per year for the years ended September 30, 2013 and 2012, respectively FAHC and CVMC maintain a self-insured plan for employee dental

Effective January 1, 2013, CVPH became self-insured for employee health insurance Under the terms of the plan, employees and their dependents are eligible for participation and, as such, CVPH is responsible for the administration of the plan and any resultant liability incurred CVPH maintained a specific stop-loss insurance policy to limit its exposure on cumulative claims exceeding $250,000 per member per year during the nine-month period ended September 30, 2013 Included in accounts payable and accrued expenses is a health insurance claims reserve of $700,000 related to claims incurred but not paid as of September 30, 2013

Other Contingencies
FAP and its subsidiaries are parties in various legal proceedings and potential claims arising in the ordinary course of business In addition, the health care industry as a whole is subject to numerous laws and regulations of federal, state, and local governments Compliance with these laws and regulations is subject to government review and interpretation, as well as regulatory actions, which could result in the imposition of significant fines and penalties, as well as significant repayments of previously billed and collected revenue from patient services Management does not believe that these matters will have a material adverse effect on FAP's consolidated financial position or results of operations

12. Statutory Capital and Surplus

VMCIC is registered under the Bermuda Insurance Act of 1978 and related regulations (the "Act") and is obligated to comply with various provisions of the Act regarding minimum levels of solvency and liquidity Statutory capital and surplus at September 30, 2013 and 2012, was $14,372,000 and $17,182,000, respectively The required minimum statutory capital at September 30, 2013 and 2012 was $2,332,000 and $3,264,000, respectively The required minimum surplus as of September 30, 2013 and 2012 was $1,332,000 and $2,264,000, respectively In addition, a minimum liquidity ratio must be maintained whereby liquid assets, as defined by the Act, must exceed 75% of defined liabilities The required minimum level of liquid assets was $17,511,000 and $24,617,000 at September 30, 2013 and 2012, respectively The measurement of the required minimum level of liquid assets this at September 30, 2013 and 2012 is $37,213,000 and

$50,005,000, respectively FAP reports all of VMCIC's investments in marketable securities as restricted assets in the accompanying consolidated balance sheets

13. Pension Plans

Substantially all employees of Fletcher Allen Partners are covered under various noncontributory defined benefit pension plans, various defined contribution pension plans, or combination thereof Total expense for these plans consists of the following

	For the Years Ending September 30,	
(in thousands)	**2013**	**2012**
Defined benefit plans	$ 7,282	$ 8,467
Defined contribution plans	29,803	21,786
	$ 37,085	$ 30,253

In addition to providing pension benefits, FAHC sponsors a defined benefit postretirement health care plan for retired employees Substantially all of FAHC's employees who are at least age 55 with 15 years of service and all employees who are eligible for retirement may become eligible for such benefits The postretirement health care plan is contributory with retiree contributions adjusted annually The marginal cost method is used for accounting purposes for postretirement healthcare benefits

The premiums paid by retirees participating in the FAHC postretirement health care plan exceed the cost covered by FAHC Therefore, the projected benefit obligation has been reduced to zero

Information regarding FAP benefit obligations, plan assets, funded status, expected cash flows and net periodic benefit cost follows within this footnote

Benefit Obligations

(in thousands)	2013	2012
Changes in benefit obligations		
Projected benefit obligations - beginning of year	$ (278,923)	$ (231,950)
Impact of affiliation	(139,177)	-
Service cost	(4,999)	(4,457)
Interest cost	(15,503)	(12,136)
Benefits paid	13,118	9,696
Actuarial gain (loss)	46,512	(40,790)
Administrative expenses paid	1,014	714
Projected benefit obligation - end of year	(377,958)	(278,923)
Accumulated benefit obligation	(372,332)	(270,156)
Changes in plan assets		
Fair value of plan assets - beginning of year	197,341	161,313
Impact of affiliation	91,319	-
Actual gain on plan assets	22,970	30,422
Contributions	14,160	16,016
Benefits paid	(13,118)	(9,696)
Administrative expenses paid	(1,014)	(714)
Fair value of plan assets - end of year	311,658	197,341
Funded status of the plan (long-term)	$ (66,300)	$ (81,582)

Unrestricted net assets at September 30, 2013 and 2012 include unrecognized actuarial losses of $27,244,000 and $105,271,000, respectively, related to the defined benefit plan Of this amount, $2,112,000 and $3,599,000 was recognized in net periodic pension costs in the years ended September 30, 2013 and 2012, respectively The reconciliation of the unrecognized actuarial losses for the years ended September 30, 2013 and 2012 is as follows

(in thousands)	2013	2012
Unrecognized actuarial losses at beginning of year	$ 105,271	$ 86,764
Impact of affiliation	(25,459)	-
Net loss amortized during year	(2,112)	(3,492)
Net prior service cost amortized during year	-	(107)
Net loss (gain) during year	(50,456)	22,106
Unrecognized actuarial losses at end of year	$ 27,244	$ 105,271

The cost components of the net periodic benefit cost for the year ended September 30, 2013 and 2012 are as follows

(in thousands)	2013	2012
Service cost	$ 4,999	$ 4,457
Interest cost	15,503	12,136
Expected return on plan assets	(19,026)	(11,737)
Amortization of unrecognized net loss	2,112	3,492
Amortization of prior service cost	-	107
Net periodic benefit cost	$ 3,588	$ 8,455

The assumptions used in accounting for the defined benefit pension plan are as follows

	2013	2012
Weighted-average assumptions used to determine the benefit liability		
Discount rates	5 0% - 5 2%	4 0% - 4 2%
Rates of increase in future compensation levels	3 0% - 3 5%	3 5% - 3 8%
Weighted-average assumptions used to determine expense		
Discount rates	4 0% - 4 2%	5 0% - 5 4%
Rates of increase in future compensation levels	3 5% - 3 8%	3 5% - 3 8%
Expected long-term rate of return on plan assets	6 5% - 8 0%	7 0% - 8 0%

The expected long-term rate of return for the FAP Plans' total assets is based on the expected return of each of its asset categories, weighted based on the median of the allocation for each class Equity securities are expected to return 9% to 11% over the long-term, while cash and fixed income is expected to return between 5% and 6% Based on historical experience, FAP expects that the plans' asset managers will provide a modest (0 5% to 1 0% per annum) premium to their respective market benchmark indices

Plan Assets

FAP's pension plan weighted-average asset allocations as of September 30, 2013 and 2012, by asset category, are as follows

	2013	2012
Asset category		
Money market	- %	1 %
Bonds	17	15
Equities	24	14
Real estate	2	3
Mutual funds	16	12
Common collective trusts	41	55
	100 %	100 %

The following table presents information, as of September 30, 2013 and 2012, about FAHC's pension assets that are measured at fair value on a recurring basis

	2013			
(in thousands)	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Fair Value
Money market	$ 1,112	$ -	$ -	$ 1,112
Bonds	39,665	13,031	-	52,696
Equities	70,130	4,375	-	74,505
Real estate	5,465	-	-	5,465
Mutual funds	51,114	-	-	51,114
Common collective trusts	-	126,766	-	126,766
	$ 167,486	$ 144,172	$ -	$ 311,658

	2012			
(in thousands)	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Fair Value
Money market	$ 1,063	$ -	$ -	$ 1,063
Bonds	17,502	11,770	-	29,272
Equities	23,436	4,687	-	28,123
Real estate	5,750	-	-	5,750
Mutual funds	24,215	-	-	24,215
Common collective trusts	-	108,918	-	108,918
	$ 71,966	$ 125,375	$ -	$ 197,341

The investment strategy established for pension plan assets is to meet present and future benefit obligations to all participants and beneficiaries, cover reasonable expenses incurred to provide such benefits, and provide a total return that maximizes the ratio of assets to liabilities by maximizing investment return at the appropriate level of risk

There was no Level 3 activity for the years ended September 30, 2013 and 2012

Cash Flows - Contributions
FAP expects to contribute $16,010,000 to its pension plan in the year ending September 30, 2014

Cash Flows - Estimated Future Benefit Payments
The following benefit payments, which reflect expected future service as appropriate, are expected to be paid

(in thousands)

Years ending September 30,		
2014	$	16,841
2015		17,932
2016		19,303
2017		20,874
2018		22,177
2019–2022		128,045

Multiemployer Defined Benefit Plan
CVPH contributes to a multiemployer defined benefit pension plan under the terms of their collective-bargaining agreement that covers its SEIU 1199 union-represented employees Pension expense for the nine months ended September 30, 2013 was approximately $3,694,000, and reflects increased funding requirements as a result of pension underfunding issues CVPH may be liable for its share of unfunded vested benefits, if any, related to the union plan Information from the union plan's administrator is not available to permit CVPH to estimate its share, if any, of unfunded vested benefits

The risk of participating in this multiemployer plan is different from single-employer plans in the following aspects

a Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers

b If a participating employer stops contributing to the plan, the unfunded obligations of the Plan may be borne by the remaining participating employers

c If CVPH chooses to stop participating in the multiemployer plan, CVPH may be required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability

CVPH's participation in the plan for the nine months ended September 30, 2013, is outlined in the table below The "EIN/Pension Plan Number" column provides the Employee Identification Number ("EIN") and the three digit plan number, if applicable Unless otherwise noted, the most recent Pension Protection Act ("PPA") zone status available in 2013 is for the plan's year-end at December 31, 2012 The zone status is based on information that CVPH received from the Plan and is certified by the plan's actuary Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are less than 80 percent funded, and plans in the green zone are at least 80 percent funded The "FIP/RP Status Pending/Implemented" column indicates plans for which a financial improvement plan ("FIP") or a rehabilitation plan ("RP") is either pending or has been implemented The last column lists the expiration date(s) of the collective-bargaining agreement to which the plan is subject

Pension Fund	EIN/Pension Plan Number	Pension Protection Act Zone Status 9/30/13	Pension Protection Act Zone Status 12/31/12	FIP/RP Status Pending/ Implemented	Surcharge Imposed	Expiration Date of Collective-Bargaining Agreement
1199 SEIU Health Care Employees Pension Fund	13-3604862-001	not available	Green	June 26, 2009	No	April 30, 2014

CVPH was not listed on the Plans' Forms 5500 as providing more than 5 percent of the total contributions At the date the consolidated FAP financial statements were issued, Form 5500 was not available

14. Concentrations of Credit Risk

FAP grants credit without collateral to its patients, most of whom are local residents and are insured under third-party agreements The mix of net receivables from patients and third-party payers at September 30, 2013 and 2012 is as follows

	2013	2012
Medicare	27 %	23 %
Medicaid	10	10
Blue cross	17	15
Other third-party payers	25	31
Patients	21	21
	100 %	100 %

15. Transactions With UVM

FAHC has an Affiliation Agreement with UVM that was most recently renewed as of August 1, 2010, for a five year term The Agreement automatically renews for subsequent five-year terms unless either party gives written notice of nonrenewal at least one year prior to the end of a five-year term The Affiliation Agreement expresses the shared goals of UVM and FAHC for teaching, clinical care and research, documents the many points of close collaboration between the two organizations, provides the underpinnings for FAHC's status as an academic medical center, and obligates FAHC to provide substantial, annual financial support to UVM The current Affiliation Agreement provides for four components of financial support to UVM (1) payments by FAHC, known as the "commitment," to fund two costs (a) a portion of the salary, benefits and related

expenses paid through UVM to physician-faculty who are jointly employed by both UVM and UVM Medical Group and, (b) as a result of a Second Amendment to the Affiliation Agreement in 2013, a portion of the cost of UVM facilities, utilities and other campus operating expenses that are not paid or reimbursed by any form of federal funding, (2) an academic support payment paid by FAHC, (3) a Dean's Tax paid by UVM Medical Group, and (4) reimbursement by FAHC of certain UVM expenses for joint functions The amounts of the commitment approximated $54,389,000 and $20,235,000 in the years ended September 30, 2013 and 2012, respectively In addition, FAHC reimburses UVM for equipment rental, research, and certain other administrative expenses through the commitment In addition to the commitment, FAHC made academic support payments to UVM in monthly installments The amount of the academic support payment was $4,935,000 and $4,837,000 in the years ended September 30, 2013 and 2012, respectively Under the Affiliation Agreement, the Dean's Tax is paid to UVM by FAHC in an amount equal to the greater of 2 3% of the Medical Group's net patient service revenues exclusive of all Medicaid revenues for that fiscal year, or $4,600,000 The amount of the Dean's Tax approximated $4,717,000 and $4,624,000 in the years ended September 30, 2013 and 2012, respectively

16. Functional Expenses

FAP provides general health care services to residents within its geographic location Expenses related to providing these services for the years ended September 30, 2013 and 2012, are as follows

(in thousands)	2013	2012
Education and research	$ 2,786	$ 1,788
Health care services	1,131,565	888,360
Management and general	327,045	226,961
Total functional expenses	1,461,396	1,117,109
Less Nonoperating expenses	2,547	1,626
Total operating expenses	$ 1,458,849	$ 1,115,483

17. Allowance for Doubtful Accounts

Accounts receivable are reduced by an allowance for doubtful accounts In evaluating the collectability of accounts receivable, FAP analyzes its past history and identifies trends for each of its major categories of revenue (inpatient, outpatient, and professional) to estimate the appropriate allowance for doubtful accounts and provision for bad debts Management regularly reviews data about these major categories of revenue in evaluating the sufficiency of the allowance for doubtful accounts

Accounts receivable, prior to adjustment for doubtful accounts, is summarized as follows at September 30, 2013 and 2012

(in thousands)	2013	2012
Receivables		
Patients	$ 55,188	$ 34,034
Third-party payers	154,754	125,477
	$ 209,942	$ 159,511

The allowance for doubtful accounts is summarized as follows at September 30, 2013 and 2012

(in thousands)	2013	2012
Allowance for doubtful accounts		
Patients	$ 24,638	$ 16,332
Third-party payers	9,512	10,240
	$ 34,150	$ 26,572

Bad debt expense for nonpatient related accounts receivable is reflected in total operating expenses on the statement of operations Patient related bad debt is reflected as a reduction in patient service revenues on the statement of operations

Net patient service revenue before the provision for bad debts and enhanced Medicaid graduate medical education revenues for the years ended September 30, 2013 and 2012, is summarized as follows

(in thousands)	2013	2012
Net patient service revenue		
Patients	$ 58,851	$ 38,817
Third-party payers	1,238,661	998,442
	$ 1,297,512	$ 1,037,259

18. Subsequent Events

FAP has evaluated subsequent events through February 7, 2014, which is the date the financial statements were issued and has concluded that, there were no such events that require adjustments to the consolidated financial statements or disclosure in the notes to the consolidated financial statements

Other Financial Information

Fletcher Allen Obligated Group
Obligated Group Balance Sheets
September 30, 2013 and 2012

(in thousands)	2013	2012
Assets		
Current assets		
Cash and cash equivalents	$ 197,318	$ 158,808
Patient and other trade accounts receivable - net of allowance for doubtful accounts of $25,932 and $26,572, respectively	129,983	131,606
Due from related parties	-	560
Inventories	24,120	23,861
Receivables from third-party payers	4,951	6,140
Prepaid, other current assets, and short-term investments	35,450	16,271
Total current assets	391,822	337,246
Assets whose use is limited or restricted		
Board-designated assets	304,174	294,100
Assets held by trustee under bond indenture agreements	25,883	31,228
Restricted assets	754	615
Donor restricted assets for specific purposes	28,008	25,351
Donor restricted assets for permanent endowment	29,775	29,165
Total assets whose use is limited or restricted	388,594	380,459
Property and equipment, net	483,539	470,469
Other assets		
Deferred financing costs, net	11,735	13,150
Notes receivable and other assets	5,017	9,823
Investment in affiliated companies	23,166	25,355
Pledges receivable	756	584
Total other assets	40,674	48,912
Total assets	$ 1,304,629	$ 1,237,086
Liabilities and Net Assets		
Current liabilities		
Current installments of long-term debt	$ 14,009	$ 13,489
Accounts payable	23,346	25,582
Accrued expenses and other liabilities	43,464	32,210
Accrued payroll and related benefits	75,394	72,191
Third-party payer settlements	16,778	16,916
Due to related parties	5,060	2,396
Current portion of incurred but not reported claims	15,584	13,050
Total current liabilities	193,635	175,834
Long-term liabilities		
Long-term debt, net of current installments	398,250	401,833
Pension and other postretirement benefit obligations	42,338	81,582
Other	11,049	20,998
Total long-term liabilities	451,637	504,413
Total liabilities	645,272	680,247
Net assets		
Unrestricted	600,250	500,435
Temporarily restricted	29,332	27,239
Permanently restricted	29,775	29,165
Total net assets	659,357	556,839
Total liabilities and net assets	$ 1,304,629	$ 1,237,086

Fletcher Allen Obligated Group
Obligated Group Statements of Operations
Years Ended September 30, 2013 and 2012

(in thousands)	2013	2012
Unrestricted revenue and other support		
Net patient service revenue	$ 1,105,729	$ 1,078,052
Less Provision for bad debts	(31,376)	(35,717)
Net Patient service revenue after provision for bad debt	1,074,353	1,042,335
Enhanced Medicaid Graduate Medical Education revenues – Hospital	18,582	-
Enhanced Medicaid Graduate Medical Education revenues – Professional	48,639	-
Net patient service revenue after provision for bad debts and enhanced Medicaid Graduate Education revenues	1,141,574	1,042,335
Premium revenue	12,792	12,521
Other revenue	43,400	34,078
Total unrestricted revenue and other support	1,197,766	1,088,934
Expenses		
Salaries, payroll taxes, and fringe benefits	700,421	659,845
Supplies and other	325,428	271,617
Purchased services	54,009	41,977
Depreciation and amortization	55,977	56,961
Interest expense	18,384	19,951
Total expenses	1,154,219	1,050,351
Income from operations	43,547	38,583
Nonoperating gains (losses)		
Investment income	34,744	19,172
Gain (loss) on interest rate swap contracts	5,621	(1,266)
Loss on extinguishment of debt	(1,142)	(2,834)
Other gains (losses)	7,623	(1,077)
Total nonoperating gains	46,846	13,995
Excess of revenue over expenses	90,393	52,578
Net (decrease) increase in unrealized gains on investments	(21,827)	30,945
Net assets released from restrictions for capital purchases	1,461	334
Transfer of net assets	-	52,453
Pension related adjustments	29,788	(18,343)
Increase in unrestricted net assets	$ 99,815	$ 117,967

Fletcher Allen Obligated Group
Obligated Group Statements of Changes in Net Assets
Years Ended September 30, 2013 and 2012

(in thousands)	2013	2012
Unrestricted net assets		
Excess of revenue over expenses	$ 90,393	$ 52,578
Net (decrease) increase in unrealized gains on investments	(21,827)	30,945
Net assets released from restrictions for capital purchases	1,461	334
Pension related adjustments	29,788	(18,343)
Transfer of net assets	-	52,453
Increase in unrestricted net assets	99,815	117,967
Temporarily restricted net assets		
Gifts, grants, and bequests	4,041	2,908
Investment income	192	180
Net increase in unrealized gains on investments	1,197	3,099
Net realized gains on investments	1,512	617
Net assets released from restrictions used in operations	(2,209)	(1,522)
Net assets released from restrictions used for nonoperating purposes	(1,150)	(306)
Net assets released from restrictions used for capital purchases	(1,461)	(334)
Transfer of net assets	(29)	(64)
Contribution of temporarily restricted net assets	-	6,035
Increase in temporarily restricted net assets	2,093	10,613
Permanently restricted net assets		
Gifts, grants, and bequests	75	67
Change in beneficial interest in perpetual trusts	506	941
Transfer of net assets	29	64
Contribution of permanently restricted net assets	-	3,101
Increase in permanently restricted net assets	610	4,173
Increase in net assets	102,518	132,753
Net assets		
Beginning of year	556,839	424,086
End of year	$ 659,357	$ 556,839

Fletcher Allen Obligated Group
Consolidating Obligated Group Balance Sheet
September 30, 2013

(in thousands)	Central Vermont Hospital and Medical Group Practice	Woodridge Rehabilitation and Nursing	Total CVMC	FAHC (Hospital)	Eliminations	Total Fletcher Allen Obligated Group	Other Entities	Total Fletcher Allen Partners
Assets								
Current assets								
Cash and cash equivalents	$ 5,793	$ 138	$ 5,931	$ 191,387	$ -	$ 197,318	$ 51,534	$ 248,852
Patient accounts receivable, net	14,226	1,436	15,662	114,321	-	129,983	45,809	175,792
Due from related parties	12,346	(12,595)	(249)	-	249	-	-	-
Inventories	2,620	-	2,620	21,500	-	24,120	5,534	29,654
Receivables from third-party payors	43	-	43	4,908	-	4,951	-	4,951
Current portion of assets whose use is limited or restricted	-	-	-	-	-	-	20,845	20,845
Prepaid, other current assets, and short-term investments	3,288	-	3,288	32,162	-	35,450	20,381	55,831
Total current assets	38,316	(11,021)	27,295	364,278	249	391,822	144,103	535,925
Assets whose use is limited or restricted								
Board-designated assets	32,397	6,192	38,589	265,585	-	304,174	13,541	317,715
Assets held by trustee under bond indenture agreements	-	-	-	25,883	-	25,883	130	26,013
Restricted assets	-	-	-	754	-	754	38,252	39,006
Donor-restricted assets for specific purposes	6,672	-	6,672	21,336	-	28,008	700	28,708
Donor-restricted assets for permanent endowment	3,101	-	3,101	26,674	-	29,775	-	29,775
Total assets whose use is limited or restricted	42,170	6,192	48,362	340,232	-	388,594	52,623	441,217
Property and equipment, net	66,392	3,965	70,357	413,182	-	483,539	124,980	608,519
Other assets								
Deferred financing costs, net	-	-	-	11,735	-	11,735	186	11,921
Notes receivable and other assets	1,503	-	1,503	3,514	-	5,017	6,607	11,624
Investment in affiliated companies	-	-	-	23,166	-	23,166	(19,328)	3,838
Pledges receivable	71	-	71	685	-	756	770	1,526
Total other assets	1,574	-	1,574	39,100	-	40,674	(11,765)	28,909
Total assets	$ 148,452	$ (864)	$ 147,588	$ 1,156,792	$ 249	$ 1,304,629	$ 309,941	$ 1,614,570

Fletcher Allen Obligated Group
Consolidating Obligated Group Balance Sheet
September 30, 2013

(in thousands)	Central Vermont Hospital and Medical Group Practice	Woodridge Rehabilitation and Nursing	Total CVMC	FAHC (Hospital)	Eliminations	Total Fletcher Allen Obligated Group	Other Entities	Total Fletcher Allen Partners
Liabilities and Net Assets								
Current liabilities								
Current installments of long-term debt	$ 3,721	$ 755	$ 4,476	$ 9,533	$ -	$ 14,009	$ 13,679	$ 27,688
Accounts payable	2,285	11	2,296	21,050	-	23,346	67	23,413
Accrued expenses and other liabilities	2,097	374	2,471	40,744	249	43,464	40,414	83,878
Accrued payroll and related benefits	7,521	635	8,156	67,238	-	75,394	15,509	90,903
Third-party payer settlements	2,286	-	2,286	14,492	-	16,778	4,148	20,926
Due to related parties	-	-	-	5,060	-	5,060	(5,060)	-
Incurred but not reported claims	904	376	1,280	14,304	-	15,584	16,407	31,991
Total current liabilities	18,814	2,151	20,965	172,421	249	193,635	85,164	278,799
Long-term debt, net of current installments	16,671	3,523	20,194	378,056	-	398,250	72,471	470,721
Pension and other postretirement benefit obligations	23,173	-	23,173	19,165	-	42,338	23,962	66,300
Other	779	-	779	10,270	-	11,049	42,161	53,210
Total liabilities	59,437	5,674	65,111	579,912	249	645,272	223,758	869,030
Net assets								
Unrestricted	79,242	(6,538)	72,704	527,546	-	600,250	81,458	681,708
Temporarily restricted	6,672	-	6,672	22,660	-	29,332	3,168	32,500
Permanently restricted	3,101	-	3,101	26,674	-	29,775	1,557	31,332
Total net assets	89,015	(6,538)	82,477	576,880	-	659,357	86,183	745,540
Total liabilities and net assets	$ 148,452	$ (864)	$ 147,588	$ 1,156,792	$ 249	$ 1,304,629	$ 309,941	$ 1,614,570

Fletcher Allen Obligated Group
Consolidating Obligated Group Statement of Operations
Year Ended September 30, 2013

(in thousands)	Central Vermont Hospital and Medical Group Practice	Woodridge Rehabilitation and Nursing	Total CVMC	FAHC (Hospital)	Eliminations	Total Fletcher Allen Obligated Group	Other Entities	Total Fletcher Allen Partners
Unrestricted revenue and other support								
Net patient service revenue	$ 136,487	$ 14,185	$ 150,672	$ 955,057	$ -	$ 1,105,729	$ 191,783	$ 1,297,512
Less Provision for bad debt	(4,716)	(110)	(4,826)	(26,550)	-	(31,376)	(6,148)	(37,524)
Net patient service revenue after provision for bad debts	131,771	14,075	145,846	928,507	-	1,074,353	185,635	1,259,988
Enhanced Medicaid Graduate Medical Education revenues – Hospital	-	-	-	18,582	-	18,582	-	18,582
Enhanced Medicaid Graduate Medical Education revenues – Professional	-	-	-	48,639	-	48,639	-	48,639
Net patient service revenue after provision for bad debts and enhanced Graduate Medical Education revenues	131,771	14,075	145,846	995,728	-	1,141,574	185,635	1,327,209
Premium revenue	1,762	-	1,762	11,030	-	12,792	107,511	120,303
Other revenue	7,540	197	7,737	36,455	(792)	43,400	11,718	55,118
Total unrestricted revenue and other support	141,073	14,272	155,345	1,043,213	(792)	1,197,766	304,864	1,502,630
Expenses								
Salary, payroll taxes and fringe benefits	91,274	10,683	101,957	598,139	325	700,421	144,973	845,394
Supplies and other	29,015	3,167	32,182	293,528	(282)	325,428	64,291	389,719
Purchased services	9,196	492	9,688	45,156	(835)	54,009	5,835	59,844
Depreciation and amortization	8,656	650	9,306	46,671	-	55,977	14,361	70,338
Interest expense	1,207	192	1,399	16,985	-	18,384	2,948	21,332
Underwriting expenses	-	-	-	-	-	-	12,025	12,025
Medical Claims	-	-	-	-	-	-	60,197	60,197
Total expenses	139,348	15,184	154,532	1,000,479	(792)	1,154,219	304,630	1,458,849
Income (loss) from operations	1,725	(912)	813	42,734	-	43,547	234	43,781
Nonoperating gains (losses)								
Investment income	849	128	977	33,767	-	34,744	3,553	38,297
Gain on interest rate swap agreements	-	-	-	5,621	-	5,621	3,829	9,450
Loss on extinguishment of debt	-	-	-	(1,142)	-	(1,142)	-	(1,142)
Contribution revenue from acquisition	-	-	-	-	-	-	45,479	45,479
Other	542	2	544	7,079	-	7,623	(1,125)	6,498
Total nonoperating gains	1,391	130	1,521	45,325	-	46,846	51,736	98,582
Excess (deficit) of revenue over expenses	3,116	(782)	2,334	88,059	-	90,393	51,970	142,363
Net increase (decrease) in unrealized gains on investments	1,993	(124)	1,869	(23,696)	-	(21,827)	1,022	(20,805)
Net assets released from restrictions for capital purchases	-	-	-	1,461	-	1,461	5,734	7,195
Pension related adjustments	18,179	-	18,179	11,609	-	29,788	22,793	52,581
Increase (decrease) in unrestricted net assets	$ 23,288	$ (906)	$ 22,382	$ 77,433	$ -	$ 99,815	$ 81,519	$ 181,334