

VNA & HOSPICE

of the Southwest Region

Serving Bennington and Rutland Counties

Our family caring for your family since 1946

October 30, 2018

Ms. Cassandra Barbeau
205 South Street
Bennington, VT 05201

Dear Ms. Barbeau,

The VNA & Hospice of the Southwest Region, formerly known as Bennington Area Visiting Nurse Association and Hospice is requesting town funds in the sum of \$21,600 to assist in providing much needed home care and hospice services to all those in need. Attached is our summary of services provided this past year.

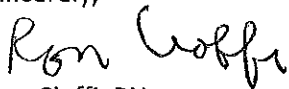
Many of our patients are elders or disabled individuals who might otherwise not be able to manage their illnesses at home. We also serve mothers experiencing high risk pregnancy and infants and children with special needs. Most of our patients have either Medicare or Medicaid that often does not cover the cost of providing their needed care.

We also offer many services at no charge, such as: Bereavement support groups for adults and children, flu clinics, Tree of Hope Memorial service, community education on end of life issues for groups or schools, etc.

We believe in providing the medically necessary healthcare wherever it is needed, location of residence, or complexity of health issues. Town funds and charitable contributions help us to make this possible.

We are very grateful to the Town of Bennington for many years of support to help the VNA & Hospice of the Southwest Region meet our mission to serve our community. Please do not hesitate to contact 802-442-0528 if you have any questions.

Sincerely,



Ron Cioffi, RN

Executive Director



MAIN OFFICE

7 Albert Cree Drive
Rutland, VT 05701
p 802.775.0568
f 802.775.2304

BENNINGTON

1128 Monument Avenue
Bennington, VT 05201
p 802.442.5502
f 802.442.4919

DORSET

909 VT RT 30
Dorset, VT 05251
p 802.362.1200
f 802.362.1412

MANCHESTER

5468 Main Street
Manchester Ctr., VT 05255
p 802.362.2126
f 802.362.4884

REFERRALS

Main 802.770.1550
Bennington 802.442.0555
Toll-free 1.800.244.0568

VNA & HOSPICE

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The Mission of the VNA & Hospice of the Southwest Region (Bennington Area Visiting Nurse Association & Hospice) is to enhance the quality of life of all we serve through comprehensive home and community health services.

Our Vision is to be the best provider of home and community based health care in Vermont.

Our Core Values help guide us in how we approach our business decisions and our relationships with our patients/families, our partners and each other.

We live up to our mission every day within the context of the following core values:

Honesty- demonstrating honesty, integrity and fairness

Excellence – dedicated to quality performance and outcomes

Accountability - We accept personal responsibility for our actions and at all times, perform in a manner that makes us answerable to our patients, our board of directors and to each other.

Leadership – willingness to guide and shape the future of our agency

Teamwork - cultivating collaborative partnerships with others

Helpfulness – demonstrates selflessness and generosity of service

VNA & Hospice of the Southwest Region allows people to live independently, with access to health care, support systems and guidance to make the best choices regarding their health care needs.

Our board president is: Carrie Allen, Board President

Heritage Family Credit Union

30 Allen Street, Rutland VT 05701

802-747-2370 | carriea@hfcuvt.com

Our Executive Director is: Ron Cioffi, RN

VNA & Hospice of the Southwest Region (Bennington Area
Visiting Nurse Association & Hospice)

7 Albert Cree Drive, Rutland, VT 05701

802-770-1544 | Ron.cioffi@vnahtsr.org

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VNA & HOSPICE

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In 2017, VNAHSR's dedicated staff made more than 147,928 visits to 3,342 patients. In the town of Bennington, we provided more than 31,883 visits to 643 individuals.

We believe in providing medically necessary healthcare wherever it is needed regardless of location of residence or complexity of health issues. One example is a patient who has complex medical needs. This person received 4,676.75 hours of skilled nursing care. The difference between the cost to VNAHSR and the reimbursement from insurance on this patient alone is a net loss to the agency of \$91,222. This patient has been and will remain on services throughout this year and 2019 because they want to remain in their home surrounded by the comforts of the place and things they care about the most. Care provided by the VNAHSR staff has prevented this patient from having to be hospitalized and that is a savings to the overall healthcare system and improves their quality of life.

VNA & HOSPICE

of the Southwest Region
Serving Bennington and Rutland Counties

Our family caring for your family since 1946

October 30, 2018

Town of Bennington

TO THE OFFICERS AND CITIZENS OF BENNINGTON:

In 2017, the VNA & Hospice of the Southwest Region, formerly known as the Bennington Area Visiting Nurse Association and Hospice provided Bennington County residents with exceptional home care, hospice and community health services. From infants with hi-tech needs to our most senior population facing end-of-life care, we continued to bring medically necessary healthcare wherever it is needed, location of residence, or complexity of health issues.

In the face of shrinking government and state reimbursements and rising healthcare costs, VNAHSR has continued to identify community needs and provide essential cost-effective health care services to some of Bennington County's most vulnerable individuals.

In 2017, VNAHSR's dedicated staff made more than 147,928 visits to 3,342 patients. In the town of Bennington, we provided 31,883 visits to 643 individuals.

In closing, we wish to thank you for your past support. With your vote of confidence, we will continue to meet our mission to enhance the quality of life of all we serve through comprehensive home and community health services.

Ronald J. Cioffi, Executive Director

Carrie Allen, President of the Board of Directors

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VNA & HOSPICE OF THE SOUTHWEST REGION, INC.

Statements of Operations

Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Operating revenue		
Patient service revenue	\$ 19,086,826	\$ 17,533,898
Provision for bad debts	<u>(186,500)</u>	<u>(158,000)</u>
Net patient service revenue	18,900,326	17,375,898
Net assets released from restriction for operations	11,551	9,913
Other operating revenue	<u>1,556,879</u>	<u>1,411,994</u>
Total operating revenue	<u>20,468,756</u>	<u>18,797,805</u>
Operating expenses		
Salaries and benefits	15,083,086	13,773,337
Other operating expenses	5,630,086	5,341,454
Depreciation	<u>162,008</u>	<u>171,373</u>
Total operating expenses	<u>20,875,180</u>	<u>19,286,164</u>
Operating loss	<u>(406,424)</u>	<u>(488,359)</u>
Other revenue and gains (losses)		
United Way and municipal appropriations	270,464	246,822
Contributions, net	352,918	442,748
Investment income	106,339	89,905
Net assets acquired from Manchester Health Services	1,089,192	-
Change in fair value of investments	477,268	161,239
Loss on disposal of assets	<u>-</u>	<u>(10,028)</u>
Total other revenue and gains (losses)	<u>2,296,181</u>	<u>930,686</u>
Excess of revenue and gains over expenses and losses and increase in unrestricted net assets	<u>\$ 1,889,757</u>	<u>\$ 442,327</u>

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

VNA & Hospice of the Southwest Region, Inc.
Profit and Loss Statement
Budget for the Period Ended December 31, 2017, 2018, 2019

	12/31/2017 Budget	12/31/2018 Budget	12/31/2019 Budget**
REVENUE			
Homecare - Medicare	7,465,680	8,518,900	8,852,590
Homecare - Medicaid	1,114,430	1,000,000	1,118,508
Homecare - Other 3rd Party	1,504,500	2,121,000	2,936,725
Hospice - Medicare	3,197,591	3,538,155	3,652,560
Hospice - Medicaid	197,685	335,000	466,590
Hospice - Other 3rd Party	133,457	129,870	153,200
Pediatric HI-Tech	497,000	731,660	554,300
Wolver/CFC/ERC	2,559,850	2,679,687	2,456,310
Care Plus Private Duty	770,000	1,118,400	706,530
Kids on the Move	649,655	567,840	554,620
Healthy Babies	577,896	337,900	300,870
Cholesterol, Glucose Screening	2,100	15,000	14,650
Other Professional Revenue	5,144	5,244	5,830
Occupational Health	1,650	1,700	1,560
Total Professional Fees	18,676,638	21,100,956	21,174,843
GRANTS AND APPROPRIATIONS			
Childrens Integrated Services Grant	755,000	783,180	895,540
Nurse Family Partnership	350,000	362,250	301,890
Supportive Care Grant	-	-	-
Other Grants	23,962	23,962	23,964
Total Grants and Appropriations	1,128,962	1,169,392	1,221,394
CONTRACT SERVICES			
PACE Contract	-	-	-
KOM	4,800	4,000	3,750
HASS	28,260	23,962	28,260
Support Services	18,300	18,300	15,650
ACO Participation	-	-	62,300
Other Services	204,350	157,850	195,670
Total Contract Services	255,710	204,112	305,630
OTHER REVENUE			
Manchester Outpatient Therapy Cl	-	150,000	-
Other Revenue	179,700	120,000	201,700
Total Other Revenue	179,700	270,000	201,700
Total Operating Revenue	20,241,610	22,743,860	22,903,567
Contractual Allowances	(1,317,940)	(1,392,803)	(1,227,275)
Bad Debts	(90,000)	(90,000)	(116,670)
Fee Service	(25,000)	(25,000)	(17,175)
Total Contractual Allowances	(1,432,940)	(1,507,803)	(1,361,120)
Total Net Revenue	18,808,070	21,236,057	21,542,447
WAGE EXPENSE			
Management/Office Staff	2,931,731	3,363,091	3,378,588
Nurses	3,558,706	3,940,796	3,879,708
LNA/PCA	2,069,716	2,479,261	2,388,156
Therapists	2,203,124	2,408,738	2,456,628
Medical Social Workers	215,925	267,354	279,972
Nutritionist	97,103	27,589	31,872
Support Services	64,473	67,041	58,224
Total Wages	11,070,778	12,543,871	12,473,148
EMPLOYEE BENEFITS			
Payroll Taxes	877,363	996,910	981,012
401(k)	251,900	269,200	293,532
Flex Benefits	1,487,880	1,714,933	1,772,412
Workers Compensation	645,000	400,000	426,624
Employee Health/Physicals	22,470	20,000	20,268
Total Employee Benefits	3,284,613	3,401,043	3,493,848

CONTRACT SERVICES			
Enterostomal	-	-	-
Contract Employees	203,750	497,400	497,450
Senior Companions	1,320	-	-
Hospice Services	90,200	178,000	389,175
Accounting	60,000	85,000	87,000
Data Processing	20,700	23,200	23,200
Legal Fees	25,000	25,000	25,000
Janitorial Services	34,640	38,540	34,000
CIS Grant Subcontract Expense	590,000	606,340	639,000
Elevator Maintenance	4,600	4,620	4,700
Total Contract Services	1,030,210	1,458,100	1,699,525
ADMINISTRATIVE EXPENSES			
Medicaid Tax	669,597	706,858	754,000
Insurance Expense	71,302	76,698	80,400
Interest Expense	24,890	27,750	30,580
Depreciation Expense	135,719	256,075	175,000
Total Administrative Expenses	901,508	1,067,381	1,039,980
OPERATING EXPENSES			
Transportation	585,590	618,700	650,750
Medical Supplies/Equipment	337,078	432,200	423,800
Hospice Program Supplies	602,400	596,600	582,250
Program Expenses	135,145	152,256	151,000
Education/Tuition/Books	15,600	10,600	8,500
Conferences & Meetings	65,000	55,000	40,000
Dues and Subscriptions	75,400	77,200	87,250
Telephone	90,000	85,000	81,250
Communications / Recruitment	95,000	95,000	60,660
Marketing/Development	132,000	166,500	203,250
Nurse-Family Partnership	35,000	25,000	33,750
Administrative Expenses	328,070	404,235	371,260
Office Supplies and Equipment	82,000	71,000	70,900
Computer Supplies & Maintenance	271,620	296,325	327,000
Total Operating Expenses	2,849,903	3,085,616	3,091,610
OCCUPANCY COSTS			
Rent / Lease / Storage	73,300	70,000	74,000
Utilities & Maintenance	70,000	70,000	92,500
Total Occupancy Costs	143,300	140,000	166,500
Total Operating Expenses	19,280,312	21,696,011	21,964,611
Excess of Operating Revenue over Operating Expenses	(472,242)	(459,955)	(422,164)
NON-OPERATING			
United Way	30,000	55,000	55,000
Towns	215,341	215,340	215,340
MHS Thrift Shop	-	124,500	127,000
Contributions, Net	242,855	257,300	257,300
Contribution from MHS	-	-	-
Realized Gain (Loss)	15,053	25,000	25,000
Unrealized Gain (Loss)	245,863	150,000	150,000
Realized Gain (Loss) on RHSI	-	-	-
Investment Income	89,543	101,810	101,810
Total Non-Operating Revenue	838,655	928,950	931,450
Excess of Revenue over Expenses	366,413	468,995	509,286

****2019 Budget not yet approved by Board of Directors and is Subject to Change**

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VNA & HOSPICE

of the Southwest Region

Serving Bennington and Rutland Counties

Town Name	2018 Town Appropriations	2019 Town Funding Requests	
Bennington	\$ 21,600.00	\$ 21,600.00	
Benson	\$ 1,400.00	\$ 1,400.00	
Brandon	\$ 10,200.00	\$ 10,200.00	
Castleton	\$ 6,720.00	\$ 6,720.00	
Chittenden	\$ 1,680.00	\$ 1,680.00	
City of Rutland	\$ 43,000.00	\$ 43,000.00	
Clarendon	\$ 3,539.00	\$ 3,539.00	
Danby	\$ 1,524.00	\$ 1,524.00	
Dorset	\$ 40,000.00	\$ 40,000.00	
Fair Haven	\$ 7,087.00	\$ 7,087.00	
Hubbardton	\$ 1,413.00	\$ 1,413.00	
Ira	\$ 973.00	\$ 973.00	
Manchester		\$ 10,000.00	*
Mendon	\$ 2,600.00	\$ 2,600.00	
Middletown Springs	\$ 1,500.00	\$ 1,500.00	
Mount Holly	\$ 1,313.00	\$ 1,313.00	
Mount Tabor	\$ 770.00	\$ 770.00	
Pawlet	\$ 12,000.00	\$ 12,000.00	
Pittsford	\$ 4,931.00	\$ 4,931.00	
Poultney	\$ 6,728.00	\$ 6,728.00	
Pownal	\$ 11,000.00	\$ 11,000.00	
Proctor	\$ 3,600.00	\$ 3,600.00	
Rupert	\$ 6,500.00	\$ 6,500.00	
Shaftsbury	\$ 5,225.00	\$ 5,225.00	
Shrewsbury	\$ 2,526.00	\$ 2,526.00	
Sudbury	\$ 1,413.00	\$ 1,413.00	
Tinmouth	\$ 801.00	\$ 801.00	
Town of Rutland	\$ 6,500.00	\$ 6,500.00	
Wallingford	\$ 2,860.00	\$ 2,860.00	
Wells	\$ 2,303.00	\$ 2,303.00	
West Haven	\$ 918.00	\$ 918.00	
West Rutland	\$ 4,800.00	\$ 4,800.00	
Woodford	\$ 650.00	\$ 650.00	
	\$ 218,074.00	\$ 228,074.00	
*merged with Manchester Health Services in July 2017			



INDEPENDENT AUDITOR'S REPORT

Board of Directors
VNA & Hospice of the Southwest Region, Inc.

We have audited the accompanying financial statements of VNA & Hospice of the Southwest Region, Inc., which comprise the balance sheets as of December 31, 2017 and 2016, and the related statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Board of Directors
VNA & Hospice of the Southwest Region, Inc.
Page 2

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of VNA & Hospice of the Southwest Region, Inc. as of December 31, 2017 and 2016, and the results of its operations, changes in its net assets and its cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.

Berry Dunn McNeil & Parker, LLC

Manchester, New Hampshire
March 27, 2018
VT Registration No. 92-0000278