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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)	OMB No 1545-0047 2009 Open to Public Inspection
	The organization may have to use a copy of this return to satisfy state reporting requirements	

A For the 2009 calendar year, or tax year beginning 10-01-2009 and ending 09-30-2010				
B Check if applicable ☐ Address change ☐ Name change ☐ Initial return ☐ Terminated ☐ Amended return ☐ Application pending	Please use IRS label or print or type. See Specific Instructions.	C Name of organization Watertown Regional Medical Center Inc		D Employer identification number 39-1030310
		Doing Business As		E Telephone number (920) 261-4210
		Number and street (or P O box if mail is not delivered to street address) 125 Hospital Drive	Room/suite	G Gross receipts \$ 142,336,547
		City or town, state or country, and ZIP + 4 Watertown, WI 53098		
		F Name and address of principal officer John Kosanovich 125 Hospital Drive Watertown, WI 53098		
I Tax-exempt status ☒ 501(c) (3) (insert no) ☐ 4947(a)(1) or ☐ 527		H(b) Are all affiliates included? ☐ Yes ☐ No If "No," attach a list (see instructions)		
J Website: www.uwhpwatertown.com		H(c) Group exemption number		
K Form of organization ☒ Corporation ☐ Trust ☐ Association ☐ Other			L Year of formation 1965	M State of legal domicile WI

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities To provide the best in healthcare to our patients with state of the art technology, advanced expertise, and personalized compassionate care in a healing environment that is convenient to home and work		
	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	1
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	1
	5	Total number of employees (Part V, line 2a)	5	81
	6	Total number of volunteers (estimate if necessary)	6	19
	7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	1,763,79
	b	Net unrelated business taxable income from Form 990-T, line 34	7b	

Revenue		Prior Year	Current Year	
	8	Contributions and grants (Part VIII, line 1h)	95,768	73,720
	9	Program service revenue (Part VIII, line 2g)	82,802,235	86,663,956
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,374,402	384,222
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,555,938	504,651
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	85,828,343	87,626,549
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	75,321	17,500
	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)	41,334,416	42,633,447
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b	Total fundraising expenses (Part IX, column (D), line 25) $\blacktriangle^0$		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	38,214,691	41,797,802
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	79,624,428	84,448,749
	19	Revenue less expenses Subtract line 18 from line 12	6,203,915	3,177,800
Net Assets or Fund Balances		Beginning of Current Year	End of Year	
	20	Total assets (Part X, line 16)	116,692,666	122,630,706
	21	Total liabilities (Part X, line 26)	46,724,243	46,967,102
	22	Net assets or fund balances Subtract line 21 from line 20	69,968,423	75,663,604

Part II	Signature Block
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Sign Here	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	
	*****	2011-07-27
	Signature of officer	Date
	John Graf Senior Vice President Type or print name and title	

Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed	Preparer's identifying number (see instructions)
	Firm's name (or yours if self-employed), address, and ZIP + 4	KPMG LLP 191 West Nationwide Blvd Ste 500 Columbus, OH 432152568		EIN
			Phone no	(614) 249-2300

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

Part III

Statement of Program Service Accomplishments

1

Briefly describe the organization’s mission

TO PROVIDE THE BEST IN HEALTHCARE TO OUR PATIENTS HOSPITAL, OPERATES A COMMUNITY HOSPITAL WITH 95 APPROVED BEDS PROVIDING A FULL RANGE OF ACUTE CARE AND HOME HEALTH SERVICES IN WATERTOWN, WISCONSIN AND SURROUNDING COMMUNITIES THE HOSPITAL ALSO OWNS AND OPERATES PHYSICIAN PRACTICE CLINICS AND SENIOR HOUSING CAMPUSES THE HOSPITAL HAS A COMMITMENT TO PROVIDE SERVICES TO ALL, INCLUDING THE UNDERSERVED AND THOSE AFFECTED BY POVERTY THE HOSPITAL PROVIDES A WIDE RANGE OF COMMUNITY OUTREACH SERVICES SUCH AS IMMUNIZATION CLINICS, HEALTH EDUCATION PROGRAMS, HEALTH SCREENINGS, AND VARIOUS HEALTHCARE SUPPORT GROUPS

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 exempt purpose achievements for each of the organization’s three largest program services by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a	(Code) (Expenses \$ 56,957,806 including grants of \$) (Revenue \$ 74,403,582) Operations of an acute care hospital facility including inpatient, emergency room, surgery and outpatient with a full array of ancillary services
4b	(Code) (Expenses \$ 15,651,600 including grants of \$) (Revenue \$ 10,081,883) Operations of clinics in Watertown and surrounding communities
4c	(Code) (Expenses \$ 1,575,166 including grants of \$) (Revenue \$ 1,522,787) Operations of senior living facilities
4d	Other program services (Describe in Schedule O) See also Additional Data for Description (Expenses \$ 722,925 including grants of \$) (Revenue \$ 655,704)
4e	Total program service expenses \$ 74,907,497

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? 	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? If "Yes," complete Schedule C, Part II	4	No
5	Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III	5	
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I 	6	No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II 	7	No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8	No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 	9	No
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10	No
11	Is the organization's answer to any of the following questions "Yes"? If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable. 	11	Yes
	• Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI.		
	• 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.		
	• 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.		
	• 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.		
	• Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.		
	• 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? If "Yes," complete Schedule D, Part X.		
12	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII 	12	Yes
12A	Was the organization included in consolidated, independent audited financial statements for the tax year?	Yes	No
	If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional 	12A	No
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Part I	14b	No
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S ? If "Yes," complete Schedule F, Part II	15	No
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S ? If "Yes," complete Schedule F, Part III	16	No
17	Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I 	17	No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II 	18	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
20	Did the organization operate one or more hospitals? If "Yes," complete Schedule H 	20	Yes

Part IV

Checklist of Required Schedules (continued)

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

Part V

Statements Regarding Other IRS Filings and Tax Compliance

			Yes	No
1a	Enter the number reported in Box 3 of Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i> . Enter -0- if not applicable	1a141		
	b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c	
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return	2a816	2b	Yes
	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 this return (see instructions)			
3a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?			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 the instructions for exceptions and 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, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?			5c	
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?			6a	No
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b	
7 Organizations that may receive deductible contributions under section 170(c).				
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?			7a	No
b If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b	
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c	No
d If "Yes," indicate the number of Forms 8282 filed during the year			7d	
e Did the organization, during the year, 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 For all contributions of qualified intellectual property, did the organization file Form 8899 as required? . . .			7g	
h For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?			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	No
9 Sponsoring organizations maintaining donor advised funds.				
a Did the organization make any taxable distributions under section 4966?			9a	No
b Did the organization make a distribution to a donor, donor advisor, or related person?			9b	No
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	

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.

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body . . .	1a	13	
b	Enter the number of voting members that are independent . . .	1b	10	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . . .	3		No
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4		No
5	Did the organization become aware during the year of a material diversion of the organization's assets? . . .	5		No
6	Does the organization have members or stockholders?	6		No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a		No
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . . .	7b		No
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	Yes	

Section B. Policies

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

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

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed▶WI
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you make these available. Check all that apply. ☐ Own website ☐ Another's website ☒ Upon request
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶ JIM BIRD 125 HOSPITAL DR Watertown, WI 53098 (920) 262-4230

1b	Total	2,949,987	0	381,307
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2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization▶27

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

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation
Metropolitan Watertown LLC 225 S Executive Dr BROOKFIELD, WI 53005	Anesthesia Services	2,280,330
Quest Diagnostics Inc 2750 Monroe Blvd NORRISTOWN, PA 19403	Laboratory Services	486,089
Starizon Inc 31 river overlook KEYSTONE, CO 80435	Patient Experience	413,495
University of Wisconsin Med Founda jeff sears 5171 MF centennial bldg MADISON, WI 537052281	Hospitalist Physicia	908,115
University of Wisconsin Med Founda 555 zor shrine place MADISON, WI 53719	Cardiology Physician	507,109

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ▶22

Part VIII

Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514		
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . .	1a						
	b	Membership dues	1b						
	c	Fundraising events	1c						
	d	Related organizations	1d						
	e	Government grants (contributions)	1e	12,928					
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	60,792					
	g	Noncash contributions included in lines 1a-1f \$ _____							
	h	Total. Add lines 1a-1f			73,720				
Program Service Revenue			Business Code						
	2a	HOSPITAL	621,110	74,403,582	74,179,303	224,279			
	b	HOME HEALTH CARE	621,400	655,704	618,879	36,825			
	c	WATERTOWN AREA CLINCS	621,300	10,081,883	8,579,197	1,502,686			
	d	SENIOR LIVING FACILITIES	621,300	1,522,787	1,522,787				
	e								
	f	All other program service revenue							
	g	Total. Add lines 2a-2f			86,663,956				
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)			1,306,442		1,306,442		
	4	Income from investment of tax-exempt bond proceeds . . .			0				
	5	Royalties			0				
	6a	Gross Rents	(i) Real	(ii) Personal					
		b	Less rental expenses	1,429,974					
		c	Rental income or (loss)	1,224,980					
		d	Net rental income or (loss)	204,994					
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other					
		b	Less cost or other basis and sales expenses	52,555,541					
		c	Gain or (loss)	53,462,111					15,650
		d	Net gain or (loss)	-906,570					-15,650
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18							
		a	16,736						
		b	Less direct expenses	7,257					
	c	Net income or (loss) from fundraising events . . .			9,479			9,479	
	9a	Gross income from gaming activities See Part IV, line 19							
		a							
		b	Less direct expenses						
	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							
c	Net income or (loss) from sales of inventory . . .			0					
Miscellaneous Revenue		Business Code							
11a	CAFETERIA REVENUE	722,310	206,600				206,600		
b	MEALMOBILE	624,210	62,872	62,872					
c	CANCER CENTER	541,610	20,706	20,706					
d	All other revenue								
e	Total. Add lines 11a-11d			290,178					
12	Total revenue. See Instructions			87,626,549	84,983,744	1,763,790	1,727,515		

Part IX

Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21	0			
2	Grants and other assistance to individuals in the U S See Part IV, line 22	17,500	17,500		
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	1,218,197		1,218,197	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)	0			
7	Other salaries and wages	31,778,872	28,600,985	3,177,887	0
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	1,983,017	1,784,715	198,302	
9	Other employee benefits	5,383,889	4,845,500	538,389	
10	Payroll taxes	2,269,472	2,042,525	226,947	
11	Fees for services (non-employees)				
a	Management	0			
b	Legal	0			
c	Accounting	0			
d	Lobbying	0			
e	Professional fundraising See Part IV, line 17	0			
f	Investment management fees	0			
g	Other	9,687,075	8,718,369	968,706	
12	Advertising and promotion	0			
13	Office expenses	0			
14	Information technology	0			
15	Royalties	0			
16	Occupancy	0			
17	Travel	0			
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	0			
20	Interest	2,234,858	2,011,372	223,486	
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	5,532,156	4,978,940	553,216	
23	Insurance	0			
24	Other expenses Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)				
a	MEDICAL SUPPLIES AND DRUGS	8,456,997	7,611,297	845,700	
b	LISCENSE AND TAXES	1,818,400	1,636,560	181,840	
c	PROVISION FOR BAD DEBT	3,970,946	3,573,851	397,095	
d	FISCAL & ADMIN SERVICE	10,024,535	9,020,331	1,004,204	
e	NON OPERATING EXPENSES	72,835	65,552	7,283	
f	All other expenses				
25	Total functional expenses. Add lines 1 through 24f	84,448,749	74,907,497	9,541,252	0
26	Joint costs. Check here ☐ if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			12,396,635	1	8,916,531
	2	Savings and temporary cash investments				2	
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			9,938,600	4	11,489,345
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L				5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L				6	
	7	Notes and loans receivable, net				7	
	8	Inventories for sale or use			1,905,679	8	2,013,572
	9	Prepaid expenses and deferred charges			2,048,427	9	3,095,189
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	101,382,489	51,739,115	10c	50,359,985
	b	Less accumulated depreciation	10b	51,022,504			
	11	Investments—publicly traded securities			37,532,471	11	45,269,161
	12	Investments—other securities See Part IV, line 11				12	
	13	Investments—program-related See Part IV, line 11			636,652	13	603,346
	14	Intangible assets			70,087	14	168,577
	15	Other assets See Part IV, line 11			425,000	15	715,000
	16	Total assets. Add lines 1 through 15 (must equal line 34)			116,692,666	16	122,630,706
Liabilities	17	Accounts payable and accrued expenses			10,516,865	17	11,741,856
	18	Grants payable				18	
	19	Deferred revenue			364,586	19	486,207
	20	Tax-exempt bond liabilities			29,806,379	20	29,137,830
	21	Escrow or custodial account liability Complete Part IV of Schedule D				21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L				22	
	23	Secured mortgages and notes payable to unrelated third parties				23	
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities Complete Part X of Schedule D			6,036,413	25	5,601,209
	26	Total liabilities. Add lines 17 through 25			46,724,243	26	46,967,102
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ☒ and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets			69,669,416	27	75,535,521
	28	Temporarily restricted net assets			299,007	28	128,083
	29	Permanently restricted net assets				29	
	Organizations that do not follow SFAS 117, check here ☐ and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds				32	
	33	Total net assets or fund balances			69,968,423	33	75,663,604
	34	Total liabilities and net assets/fund balances			116,692,666	34	122,630,706

Part XI **Financial Statements and Reporting**

	Yes	No
1 Accounting method used to prepare the Form 990 ☐ Cash ☒ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? . . .		No
b Were the organization's financial statements audited by an independent accountant? 	Yes	
c If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O 	Yes	
d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both ☒ Separate basis ☐ Consolidated basis ☐ Both consolidated and separated basis		
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? 		No
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits . . .		

SCHEDULE A
(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

► Attach to Form 990 or Form 990-EZ. ► See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
Watertown Regional Medical Center Inc

Employer identification number
39-1030310

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

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

1

☐

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

2

☐

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

3

☒

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

4

☐

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

5

☐

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

6

☐

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

7

☐

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

8

☐

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

9

☐

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

10

☐

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

11

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other

e

☐

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

f

☐

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

g

☐

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

(i)

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

(ii)

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

(iii)

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

h

☐

Provide the following information about the supported organization(s)

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

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

Part II

Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(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) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions)					12	
13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2009 (line 6 column (f) divided by line 11 column (f))	14	
15 Public Support Percentage for 2008 Schedule A, Part II, line 14	15	
16a 33 1/3% support test—2009. 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—2008. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		
17a 10%-facts-and-circumstances test—2009. 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—2008. 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 IIISupport Schedule for Organizations Described in IRC 509(a)(2)
(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3Gross receipts from activities that are not an unrelated trade or business under section 513						
4Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5The value of services or facilities furnished by a governmental unit to the organization without charge						
6Total. Add lines 1 through 5						
7aAmounts included on lines 1, 2, and 3 received from disqualified persons						
bAmounts 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						
cAdd lines 7a and 7b						
8Public Support (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9Amounts from line 6						
10aGross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
bUnrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
cAdd lines 10a and 10b						
11Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13Total support (Add lines 9, 10c, 11 and 12.)						

14First 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

15Public Support Percentage for 2009 (line 8 column (f) divided by line 13 column (f))	15	
16Public support percentage from 2008 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17Investment income percentage for 2009 (line 10c column (f) divided by line 13 column (f))	17	
18Investment income percentage from 2008 Schedule A, Part III, line 17	18	

19a33 1/3% support tests—2009. 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

☐

b33 1/3% support tests—2008. 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

☐

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

☐

Part IV

Supplemental Information. Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. See instructions

Additional Data

Software ID:
Software Version:
EIN: 39-1030310
Name: Watertown Regional Medical Center Inc

Form 990, Part III - 4 Program Service Accomplishments (See the Instructions)

4d. Other program services					
(Code	) (Expenses \$	722,925	including grants of \$	) (Revenue \$	655,704)
Home Health Care					

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
John Kosanovich President	40 0	X		X				321,853	0	49,012
Jeff Baum Board Chairman	2 0	X						0	0	0
Lyle Wuestenberg Board Vice-Chair	2 0	X						0	0	0
Donna O'Brien Board of Director	2 0	X						0	0	0
Daphne Holterman Board of Director	2 0	X						0	0	0
Juliet Slavens DDS Board of Director	2 0	X						0	0	0
Fred Albertz Board of Director	2 0	X						0	0	0
Kathleen Hargarten MD Board of Director	2 0	X						0	0	0
Ron Sokovich Board of Director & Physician-	40 0	X						346,654	0	30,766
Sandhya Garg MD Board of Director	2 0	X						0	0	0
Michael Dallman Board of Director	2 0	X						0	0	0
Mike Sullivan MD Board of Director	2 0	X						0	0	0
Tim Schuler Board of Director	2 0	X						0	0	0
John Graf Senior Vice President	40 0			X				191,429	0	32,196
Jennifer Laughlin Vice President & CIO	40 0			X				111,243	0	25,434
Duane Floyd Vice President of Human Resour	40 0			X				123,050	0	28,277
Jacklynn Lesniak VP of Patient Services	40 0			X				143,067	0	28,076
Jeff Meade MD Cheif Medical Officer	24 0			X				94,664	0	10,788
LORI SCHWENKNER SECRETARY	40 0			X				48,437	0	10,671
John McGuinness Physician OBGYN	40 0					X		373,082	0	35,665
Rhonda Miller Physician OBGYN	40 0					X		390,449	0	22,005
Tahmina Aafreen Physician OBGYN	40 0					X		301,349	0	40,443
James Milford Physician - Family Practice	40 0					X		258,962	0	22,504
John Basarich Physician - Family Practice	40 0					X		245,748	0	45,470

Form 990, Part IX - Statement of Functional Expenses - 24a - 24e Other Expenses

<i>Do not include amounts reported on line 6b, 8b, 9b, and 10b of Part VIII.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
MEDICAL SUPPLIES AND DRUGS	8,456,997	7,611,297	845,700	
LISCENSE AND TAXES	1,818,400	1,636,560	181,840	
PROVISION FOR BAD DEBT	3,970,946	3,573,851	397,095	
FISCAL & ADMIN SERVICE	10,024,535	9,020,331	1,004,204	
NON OPERATING EXPENSES	72,835	65,552	7,283	

SCHEDULE D
(Form 990)

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization Watertown Regional Medical Center Inc	Employer identification number 39-1030310
--	---

Part I

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

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

Part II

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

1	Purpose(s) of conservation easements held by the organization (check all that apply) ☐ Preservation of land for public use (e g , recreation or pleasure) ☐ Preservation of an historically importantly land area ☐ Protection of natural habitat ☐ Preservation of a certified historic structure ☐ Preservation of open space											
2	Complete lines 2a–2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year											
		<table><tr><td></td><td>Held at the End of the Year</td></tr><tr><td>a</td><td>Total number of conservation easements</td></tr><tr><td>b</td><td>Total acreage restricted by conservation easements</td></tr><tr><td>c</td><td>Number of conservation easements on a certified historic structure included in (a)</td></tr><tr><td>d</td><td>Number of conservation easements included in (c) acquired after 8/17/06</td></tr></table>		Held at the End of the Year	a	Total number of conservation easements	b	Total acreage restricted by conservation easements	c	Number of conservation easements on a certified historic structure included in (a)	d	Number of conservation easements included in (c) acquired after 8/17/06
	Held at the End of the Year											
a	Total number of conservation easements											
b	Total acreage restricted by conservation easements											
c	Number of conservation easements on a certified historic structure included in (a)											
d	Number of conservation easements included in (c) acquired after 8/17/06											
3	Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ _____											
4	Number of states where property subject to conservation easement is located ▶ _____											
5	Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No											
6	Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ▶ _____											
7	Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _____											
8	Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes ☐ No											
9	In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements											

Part III

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

1a	If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items	
b	If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items	
	(i) Revenues included in Form 990, Part VIII, line 1	▶ \$ _____
	(ii) Assets included in Form 990, Part X	▶ \$ _____
2	If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items	
a	Revenues included in Form 990, Part VIII, line 1	▶ \$ _____
b	Assets included in Form 990, Part X	▶ \$ _____

Part III

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

3

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

a

☐

Public exhibition

b

☐

Scholarly research

c

☐

Preservation for future generations

d

☐

Loan or exchange programs

e

☐

Other

4

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

5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

Part IV

Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV and complete the following table

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

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

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

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

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a	Beginning of year balance				
b	Contributions				
c	Investment earnings or losses				
d	Grants or scholarships				
e	Other expenditures for facilities and programs				
f	Administrative expenses				
g	End of year balance				

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶

c

Term endowment ▶

3a

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

(i) unrelated organizations

3a(i)

Yes

No

(ii) related organizations

3a(ii)

Yes

No

b

If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

3b

Yes

No

4

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

Part VI

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

Description of investment	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	1,257,192	0		1,257,192
b Buildings	45,570,677	0	16,736,220	28,834,457
c Leasehold improvements				
d Equipment	50,655,708	0	32,032,496	18,623,212
e Other	3,898,912	0	2,253,788	1,645,124
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				50,359,985

Schedule D (Form 990) 2009

Part XI

Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	87,626,549
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	84,448,749
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	3,177,800
4	Net unrealized gains (losses) on investments	4	2,446,184
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	71,197
9	Total adjustments (net) Add lines 4 - 8	9	2,517,381
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	5,695,181

Part XII

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	89,998,884
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	2,446,184
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	2,446,184
3	Subtract line 2e from line 1	3	87,552,700
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	73,849
c	Add lines 4a and 4b	4c	73,849
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	87,626,549

Part XIII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	84,375,914
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	84,375,914
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 XIV)	4b	72,835
c	Add lines 4a and 4b	4c	72,835
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	84,448,749

Part XIV

Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b Also complete this part to provide any additional information

Identifier	Return Reference	Explanat ion
Reconciliation Items	Form 990, Schedule D, Part XI, Line 8	Interest Rate Swap 23,838 Temporarily Restricted Unrealized Gain 47,359 Total ----- 71,197 Form 990, Schedule D, Part XII, Line 4b Non-Operating losses reclassified to expense 72,835 Temporarily restricted investment income 1,014 Total - ----- 73,849 Form 990, Schedule D, Part XIII, Line 4b Non-Operating Losses 72,835

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

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization
Watertown Regional Medical Center Inc

Employer identification number
39-1030310

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.
Form 990-EZ filers are not required to complete this part.

1

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

a

☐ Mail solicitations

b

☐ Internet and e-mail 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 activities?

☐ 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. Form 990-EZ filers are not required to complete this table.

(i) Name of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(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
		Yes	No			
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 on Form 990-EZ, line 6a. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other Events	(d) Total Events
		Love Lights (event type)	Magic at market (event type)	5 (total number)	(Add col (a) through col (c))
Revenue	1	Gross receipts	8,430	3,165	5,141
	2	Less Charitable contributions			
	3	Gross income (line 1 minus line 2)	8,430	3,165	5,141
Direct Expenses	4	Cash prizes			
	5	Non-cash prizes			
	6	Rent/facility costs			
	7	Food and beverages			
	8	Entertainment			
	9	Other direct expenses	2,309	1,643	3,305
	10	Direct expense summary Add lines 4 through 9 in column (d)			7,257
	11	Net income summary Combine lines 3, column d, and line 10.			9,479

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			
	2	Cash prizes			
Direct Expenses	3	Non-cash prizes			
	4	Rent/facility costs			
	5	Other direct expenses			
	6	Volunteer labor	☐ Yes _____ % ☐ No	☐ Yes _____ % ☐ No	
7 Direct expense summary Add lines 2 through 5 in column (d)					
8 Net gaming income summary Combine lines 1, column d, and line 7					

		Yes	No
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?	9a	
b	If "No," Explain _____ _____		
10a	Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?	10a	
b	If "Yes," Explain _____ _____		
11	Does the organization operate gaming activities with nonmembers?	11	
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?	12	

		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?	15a	
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		
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?	17a	
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 ► \$ _____		

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

2009

Open to Public Inspection

Name of the organization
Watertown Regional Medical Center Inc

Employer identification number
39-1030310

Part I

Charity Care and Certain Other Community Benefits at Cost

		Yes	No	
1a	Does the organization have a charity care policy? If "No," skip to question 6a	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization has multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals ☐ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients			
a	Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care ☐ 100%☐ 150%☐ 200%☒ Other <u>125. %</u>	3a	Yes	
b	Does the organization use FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care ☐ 200%☐ 250%☒ 300%☐ 350%☐ 400%☐ Other <u> % </u>	3b	Yes	
c	If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Does the organization's policy provide free or discounted care to the "medically indigent"?	4	Yes	
5a	Does the organization budget amounts for free or discounted care provided under its charity care policy?	5a	Yes	
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b		No
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c		
6a	Does the organization prepare an annual community benefit report?	6a	Yes	
6b	If "Yes," does the organization make it available to the public?	6b	Yes	
Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H				

7 Charity Care and Certain Other Community Benefits at Cost						
Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheets 1 and 2)			476,444		476,444	0 590 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			6,384,997		6,384,997	7 930 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d Total Charity Care and Means-Tested Government Programs			6,861,441		6,861,441	8 520 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)		91,024	725,260	128,150	597,110	0 740 %
f Health professions education (from Worksheet 5)		220	53,896		53,896	0 070 %
g Subsidized health services (from Worksheet 6)		13,019	2,055,078	1,557,217	497,861	0 620 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)		1,560	409,848	54,398	355,450	0 440 %
j Total Other Benefits		105,823	3,244,082	1,739,765	1,504,317	1 870 %
k Total. Add lines 7d and 7j		105,823	10,105,523	1,739,765	8,365,758	10 390 %

Part IICommunity Building Activities

Complete this table if the organization conducted any community building activities.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1Physical improvements and housing						
2Economic development						
3Community support			14,251		14,251	0.020 %
4Environmental improvements			699		699	
5Leadership development and training for community members		130	426		426	
6Coalition building						
7Community health improvement advocacy			44,348		44,348	0.060 %
8Workforce development			1,599		1,599	
9Other			28,292		28,292	0.040 %
10Total		130	89,615		89,615	0.120 %

Part IIIBad Debt, Medicare, & Collection Practices

Section A.Bad Debt Expense

		Yes	No
1Does the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1	Yes	
2Enter the amount of the organization's bad debt expense (at cost)	2	1,683,681	
3Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy	3	336,736	
4Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including other bad debt amounts in community benefit.			

Section B.Medicare

5Enter total revenue received from Medicare (including DSH and IME)	5	13,895,425	
6Enter Medicare allowable costs of care relating to payments on line 5	6	18,433,224	
7Subtract line 6 from line 5. This is the surplus or (shortfall)	7	-4,537,799	
8Describe 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

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

Part IVManagement Companies and Joint Ventures

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				

[illegible]

Part VI

Supplemental Information

Complete this part to provide the following information

1 Provide the description required for Part I, line 3c, Part I, line 6a, Part I, line 7g, Part I, line 7, column (f), Part I, line 7, Part III, line 4, Part III, line 8, Part III, line 9b, and Part V See Instructions

See additional data

2 Needs assessment. Describe how the organization assesses the health care needs of the communities it serves

See additional data

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 charity care policy

See additional data

4 Community information. Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
WRMC serves the residents of Dodge and Jefferson counties in a service area of roughly 120,000 lives Basic county demographic information is as follows Dodge County Jefferson County - Residents below Poverty 8 1% 7 6% - with HS Diploma 82 3% 84 7% - Speak Language other than English 4 6% 6 1% - Residents over age 65 13 6% 12 5% - Residents uninsured 7 4% 3 0%

5 Community building activities. Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves

See additional data

6 Provide any other information important to describing how the organization's hospitals 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)

See additional data

7 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

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report

WI

Additional Data

Software ID:
Software Version:
EIN: 39-1030310
Name: Watertown Regional Medical Center Inc

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Costs included in part I, line 7 were calculated using the cost to charge ratio

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

The amount of bad debt expense excluded from the the total expenses used to calculate Part I, Line 7, Column (f) was \$3,970,946 This reduced the total expenses to \$80,477,803

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

The Medicare cost to charge ratio, computed from the 9/30/2010 Medicare Cost Report, was used to compute the cost of the bad debt expense. The hospital estimated that 20% of its bad debt expense would be classified as charity care if the forms were filled out with proper documentation. When accounts are transferred to collection the hospital does not know if the patients may possibly qualify for Community Care because they may have neglected their bills. Many accounts go to collection because the hospital never has any contact with the patient. The hospital sends them statements and calls them, but the patients never pay or respond. The Hospital provides care without charge or at amounts less than the Hospital's established rates to patients who meet certain criteria under its charity care policy. The Hospital maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges forgone for services and supplies furnished under its charity care policy. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. The following information measures the level of charity care provided for the years ended September 30. Charges Foregone, based on established rates 2010=\$1,123,685 2009=\$1,344,586

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

100% of the Medicare shortfall should be treated as community benefit Watertown Regional Medical Center is committed to serving all patients, regardless of ability to pay or if the payments to be received will be less than the cost to provide the service, which is the case for Medicare and Medicaid patients The figures on line 6 of part III come from the 9/30/2010 Medicare Cost Report Medicare allowable costs relating to payments on line 5 of part III are based upon the medicare cost report This shortfall should be treated as a community benefit since it reflects unreimbursed costs to the health system for providing medical services to the medicare residents of the community

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

When patients qualify for charity care, the Hospital gives up collection efforts on the amount that is classified as charity care. If a patient receives partial charity care, the non-charity portion of their bill is still subject to normal collection efforts, which can include being sent to a collection agency if the patient fails to make payments to the Hospital.

Form 990 Schedule H, Part VI - Supplemental Information, Line 2

Using public health data provided by the State of Wisconsin, local health departments and the University of Wisconsin, UW Health Partners Watertown Regional Medical Center (WRMC) completes regular community health assessments. These assessments are performed in cooperation with the local public health offices. Public health data is used to identify the region's top health and safety needs. Each need is then ranked according to the number of people affected and also quantified in terms of regional cost burden. Finally, we rate the community health needs in terms of how well they match with the organization's strategic priorities and resources to calculate overall priority scores. This year, the organization has identified the following as our community's top health and safety needs: a. Heart Disease b. Overweight and Obesity c. Cancer prevention and screening d. Access to care for the under and uninsured.

Form 990 Schedule H, Part VI - Supplemental Information, Line 3

WRMC uses multiple methods to educate patients about eligibility for financial assistance. Local referring providers are familiar with WRMC's charity care policies and often get patients in contact with WRMC financial counselors as the care process is initiated. Our front office/reception staff at each point of entry is educated on billing and assistance procedures and can serve as an immediate resource for patients, referring patients to financial counselors to provide personalized counseling when necessary. Our financial assistance policies are available on our website, and the numbers for our financial counselors are publicized in phone books and other directories. Once admitted to the medical center, each patient receives a Patient Handbook, which clearly outlines billing procedures and financial assistance resources. These policies and resources are also available 24/7 on our website at uwHPWatertown.com.

Form 990 Schedule H, Part VI - Supplemental Information, Line 5

WRMC is active in community health improvement in the region. Our involvement toward improving three of our health priorities (Obesity, heart disease and access to care) is outlined below. WRMC plays a leading role in Get Healthy Watertown, a community entity working to combat our region's obesity problem by helping families and businesses to adopt healthy lifestyle practices. With Get Healthy Watertown, we've developed an annual community weight loss challenge called Weigh to Win. To date, we have helped community members to lose more than 6,000 pounds. Most importantly, these community members have gained the knowledge to continue their healthy lifestyles for years to come. Heart disease is a major challenge for the WRMC service area. In addition to providing free heart risk screenings and education for adults, we've started to work with area youth to develop healthy habits years before heart disease presents itself. Our Ready Set Fit program takes health professionals into 4th grade classrooms, providing interactive learnings on exercise, nutrition and healthy lifestyles. For high school aged children, who are starting to make independent lifestyle choices, we offer a health camp, where students enjoy a day of active exercise and healthy cooking to learn to enjoy healthy lifestyle choices. Access to care is one of our top priorities, and we are proud to support two local free clinics who provided much needed care to uninsured and under insured community members. We provide leadership, staff expertise, and financial funding to the Watertown Area Cares Clinic (WACC), a new free clinic developed to meet the overwhelming needs of other local free clinics. WRMC provides lab and diagnostic services (free of charge) to meet the needs of the WACC as well as another local free clinic, the Rock River Free Clinic.

Form 990 Schedule H, Part VI - Supplemental Information, Line 6

WRMC is governed by a community board of directors who represent the diverse needs of the Watertown region. We have a board of directors sub-committee which oversees our community benefit plan and activities. This committee is made up of community members who represent underserved populations, such as the elderly, low-income, Spanish speaking population and youth. This committee also oversees our Community Health Fund, which provides grants to non-profits who further our health and safety mission. Each fiscal year, our board allocates a percentage of net revenue to a Community Health Fund. Community non-profits with health and safety related missions apply for and receive grant funds to further their missions of enhancing the health of the community. WRMC does have an open medical staff.

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
Watertown Regional Medical Center Inc

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

2009

Open to Public
Inspection

Employer identification number
39-1030310

Part I

General Information on Grants and Assistance

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

Part II

Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed ☐

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

2 Enter total number of section 501(c)(3) and government organizations ▶

3 Enter total number of other organizations ▶

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

[illegible]

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

[illegible]

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2009

Open to Public Inspection

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

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

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization

Watertown Regional Medical Center Inc

Employer identification number

39-1030310

Part I

Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items		
	☐ First-class or charter travel ☐ Travel for companions ☐ Tax idemnification and gross-up payments ☐ Discretionary spending account ☐ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☒ Health or social club dues or initiation fees ☐ Personal services (e g , maid, chauffeur, chef)		
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 the expenses described above? If "No," complete Part III to explain	Yes	
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?		No
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply		
	☒ Compensation committee ☒ Independent compensation consultant ☐ Form 990 of other organizations ☒ Written employment contract ☒ Compensation survey or study ☒ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization		
a	Receive a severance payment or change-of-control payment?		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?		No
c	Participate in, or receive payment from, an equity-based compensation arrangement?		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?		No
b	Any related organization?		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?		No
b	Any related organization?		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		No
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?		

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use Schedule J-1 if additional space needed.

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
John Kosanovich	(i)	281,820	37,868	2,165	33,340	15,672	370,865	0
	(ii)	0	0	0	0	0	0	0
Ron Sokovich	(i)	330,124	0	16,530	14,000	16,766	377,420	0
	(ii)	0	0	0	0	0	0	0
John Graf	(i)	179,062	12,301	66	15,619	16,577	223,625	0
	(ii)	0	0	0	0	0	0	0
Duane Floyd	(i)	117,080	5,925	45	10,256	18,021	151,327	0
	(ii)	0	0	0	0	0	0	0
Jacklynn Lesniak	(i)	136,333	6,700	34	11,713	16,363	171,143	0
	(ii)	0	0	0	0	0	0	0
John McGuinness	(i)	252,865	120,197	20	18,899	16,766	408,747	0
	(ii)	0	0	0	0	0	0	0
Rhonda Miller	(i)	250,561	139,842	46	20,281	1,724	412,454	0
	(ii)	0	0	0	0	0	0	0
Tahmina Aafreen	(i)	175,456	125,876	17	20,573	19,870	341,792	0
	(ii)	0	0	0	0	0	0	0
James Milford	(i)	180,679	78,257	26	18,761	3,743	281,466	0
	(ii)	0	0	0	0	0	0	0
John Basarich	(i)	172,128	73,604	16	28,783	16,687	291,218	0
	(ii)	0	0	0	0	0	0	0
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III

Supplemental Information

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

Identifier	Return Reference	Explanation
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Schedule K (Form 990)	Supplemental Information on Tax Exempt Bonds ▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990). ▶ Attach to Form 990. ▶ See separate instructions.	OMB No 1545-0047
		2009
		Open to Public Inspection

Department of the Treasury Internal Revenue Service	Name of the organization Watertown Regional Medical Center Inc	Employer identification number 39-1030310
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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	
							Yes	No	Yes	No
A	WISCONSIN HEALTH & EDUCATIONAL FACILITIES AUTHOR	39-1337855	97710vqw1	12-11-2003	4,400,000	2003 hospital remodeling		X		X
B	WISCONSIN HEALTH & EDUCATIONAL FACILITIES AUTHOR	39-1337855	97710vp36	10-26-2006	15,000,000	2006 HOSPITAL EXPANSION		X		X

Part II

Proceeds

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1	Total proceeds of issue			4,400,000	15,000,000						
2	Gross proceeds in reserve funds			1,258,570	1,258,570						
3	Proceeds in refunding or defeasance escrows										
4	Other unspent proceeds										
5	Issuance costs from proceeds			110,779	924,944						
6	Working capital expenditures from proceeds										
7	Capital expenditures from proceeds			4,289,221	12,816,486						
8	Year of substantial completion	2004		2008							
9	Were the bonds issued as part of a current refunding issue?		X		X						
10	Were the bonds issued as part of an advance refunding issue?		X		X						
11	Has the final allocation of proceeds been made?	X		X							
12	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X							

Part III

Private Business Use

		A		B		C		D		E	
		Yes	No	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		X						
2	Are there any lease arrangements with respect to the financed property which may result in private business use?		X		X						

Part III

Private Business Use (Continued)

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts with respect to the financed property which may result in private business use?		X		X						
3b	Are there any research agreements with respect to the financed property which may result in private business use?		X		X						
3c	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?	X		X							
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 %		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	0 %		0 %							
6	Total of lines 4 and 5	0 %		0 %							
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X							

Part IV

Arbitrage

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?	X		X							
2	Is the bond issue a variable rate issue?	X		X							
3a	Has the organization or the governmental issuer identified a hedge with respect to the bond issue on its books and records?		X	X							
b	Name of provider	jpmorgan chase		jpmorgan chase							
c	Term of hedge	28		28							
4a	Were gross proceeds invested in a GIC?		X		X						
b	Name of provider										
c	Term of GIC										
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?										
5	Were any gross proceeds invested beyond an available temporary period?		X		X						
6	Did the bond issue qualify for an exception to rebate?	X		X							

Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization

Watertown Regional Medical Center Inc

Employer identification number

39-1030310

Part I

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

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

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

2

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

3

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

Part II

Loans to and/or From Interested Persons.

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

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

Part III

Grants or Assistance Benefitting Interested Persons.

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

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

Part IV

Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
Watertown Emergency Physicians SC	Board Member is President	315,029	see schedule o		No
Meade Medical Clinic	Officer is Owner	165,216	see schedule o		No
University of Wisconsin Health Care	Board Member is Officer	100,000	see schedule o		No

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

**Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.**
▶ Attach to Form 990.

OMB No 1545-0047

2009

**Open to Public
Inspection**

Name of the organization Watertown Regional Medical Center Inc	Employer identification number 39-1030310
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Identifier	Return Reference	Explanation
Governing Body and Management	Form 990, Part VI, Line 9	Jeff Baum (Board Chairman) Wisconsin Aviation, Inc 1741 River Drive Watertown, WI 53094 Lyle Wuestenberg (Board Vice-Chair) J & L Tire 4585 Linmar Lane Johnson Creek, WI 53038 Donna O'Brien N1237 County E Watertown, WI 53098 Daphne Holterman Rosy-Lane Holsteins LLC W3757 Ebenezer Road Watertown, WI 53094 Juliet Slavens, DDS N7730 French Road Johnson Creek, WI 53038 Fred Albertz 508 Highland Blvd Johnson Creek, WI 53038 Kathleen Hargarten, MD 2924 N Interlaken Drive Oconomowoc, WI 53066 Ron Sokovich, MD Urology Clinic Medical Office Building-West, Suite 2002 123 Hospital Drive Watertown, WI 53098 Sandhya Garg, MD UWHC 600 Highland Avenue H4/837 Madison, WI 53792-8310 Michael Dallman UWHC 600 Highland Avenue H4/836 Mail #8370 Madison, WI 53792 Mike Sullivan, MD Watertown Family Practice Associates, SC 127 Hospital Drive Watertown, WI 53098

Identifier	Return Reference	Explanation
Form 990 Review Process	Form 990, Part VI, Line 11a	The finance committee review s the 990 in detail and a copy of the 990 is available for review by all board members before it is filed

Identifier	Return Reference	Explanation
Conflict of Interest Policy	FORM 990, PART VI, LINE 12c	Each year the Hospital's Conflict of Interest policy, along with the Conflict of Interest form, is sent to each Board member. Board members are asked to review the policy, complete the form, and return them to Administration where they are kept on file.

Identifier	Return Reference	Explanation
Compensation Process	FORM 990, PART VI, LINE 15b	To determine the compensation of each officer of the corporation, a compensation committee and external data are used to determine a fair and reasonable salary. Outside sources include the opinion of an independent compensation consultant, use of a compensation survey, and the written employment contract for each officer, if applicable. The salary must be approved each year by the compensation committee.

Identifier	Return Reference	Explanation
Governing Documents Available to Public	FORM 990, PART VI, LINE 19	Audited financial statements are available to the public through the EMMA website http //emma msrb org/ The governing documents, conflict of interest policies, and audited financial statements are available for public inspection upon request

Identifier	Return Reference	Explanation
Business Transactions Involving Interested Persons	FORM 990, SCHEDULE L, PART IV, COLUMN D	Dr Hargarten's physician group provides physicians services to the Emergency Room of Watertow n Regional Medical Center, INC Dr Meade provided rental property to Watertow n Regional Medical Center, Inc Mr Dallman is Vice President of Regional Development for University of Wisconsin Health Care, Inc which has an affiliation agreement w ith Watertow n Regional Medical Center, Inc