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Check if Schedule O contains a response or note to any line in this Part III ☒




















- 2** Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☒ **Yes** ☐ **No**  
If "Yes," describe these new services on Schedule O
- 3** Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ **Yes** ☒ **No**  
If "Yes," describe these changes on Schedule O
- 4** Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

(Code	(Expenses \$	47,896,356	including grants of \$	512,242 )	(Revenue \$	56,871,891 )
<p>INPATIENT SERVICES INCLUDE MULTICARE (MEDICAL/SURGICAL), OBSTETRICS/NURSERY AND INTENSIVE CARE UNITS AT REEDSBURG AREA MEDICAL CENTER (RAMC) WITHIN THESE UNITS, RAMC PROVIDED SHORT-TERM CARE FOR 4,546 PATIENT DAYS (1,398 DISCHARGED PATIENTS) DURING THE FISCAL YEAR ENDING 9/30/14 THIS INCLUDED 320 SWING BED DAYS FOR 46 PATIENTS, 500 OBSERVATION DAYS AND 281 BIRTHS THE STAFF AT RAMC IS COMMITTED TO MEETING PATIENTS' PHYSICAL, SOCIAL, EDUCATIONAL, EMOTIONAL AND SPIRITUAL NEEDS RAMC'S EMERGENCY AND URGENT CARE IS HERE FOR THE COMMUNITY WHENEVER THEY MAY NEED IT URGENT CARE HAS HOURS OF AVAILABILITY FOR MINOR MEDICAL NEEDS SEVEN DAYS A WEEK AND THE EMERGENCY ROOM IS OPEN AND PHYSICIAN STAFFED 24 HOURS A DAY, SEVEN DAYS A WEEK A MULTIDISCIPLINARY TEAM OF SKILLED PROFESSIONALS, ALONG WITH UP-TO-DATE DIAGNOSTIC TECHNOLOGY, ARE ALL AVAILABLE 24 HOURS A DAY IN THE FISCAL YEAR ENDING 9/30/14, 9,089 PATIENTS WERE SEEN IN THE EMERGENCY ROOM (RESULTING IN 1,065 INPATIENT ADMISSIONS) AND 4,860 PATIENTS VISITED URGENT CARE THERE WERE MANY CHANGES FOR RAMC DURING FISCAL YEAR ENDING 9/30/14 ONE OF THE MOST EXCITING HAS BEEN THE FORMAL AFFILIATION BETWEEN RAMC AND THE REEDSBURG PHYSICIANS GROUP, AN ESTEEMED GROUP OF BOARD CERTIFIED PHYSICIANS PROVIDING COMPREHENSIVE HEALTH CARE TO INDIVIDUALS AND THE ENTIRE FAMILY NOW KNOWN AS RAMC PHYSICIANS GROUP, THIS AFFILIATION ALLOWS THE ENTIRE RAMC FAMILY TO CONTINUE THE SHARED PHILOSOPHY OF TEAM-BASED PATIENT CARE, PROVIDING AN EXCEPTIONAL EXPERIENCE AT EACH VISIT NEW PROVIDERS DR CHRISTOPHER ECKERMAN, PODIATRIST, AND AMY BENARDS, DERMATOLOGY PA, ALSO JOINED THE RAMC SPECIALTY GROUP IN JULY OF 2014, RAMC WENT LIVE WITH THE MYRAMC PATIENT PORTAL, THE FINAL PIECE TO ITS ELECTRONIC MEDICAL RECORDS (EMR) SYSTEM THIS SECURE, ONLINE TOOL PUTS PATIENT HEALTH INFORMATION IN ONE, EASILY ACCESSIBLE LOCATION WHEN COMBINED WITH THE PHYSICIAN-SIDE OF THE EMR SYSTEM (LAUNCHED IN FISCAL YEAR 2012), IT ALLOWS FOR QUICKER ACCESS TO TEST RESULTS, MORE EFFICIENT APPOINTMENTS AND CARE AND INCREASED INVESTMENT IN PERSONAL HEALTH FOR PATIENTS OTHER SIGNIFICANT ACHIEVEMENTS RESULTING IN EXPANDED OR ENHANCED PATIENT SERVICES INCLUDE THE LSVT (LEE SILVERMAN VOICE TREATMENTS) BIG PROGRAM TO MANAGE SYMPTOMS OF PARKINSON'S DISEASE AND THE ADDITION OF VENEFT TARGETED ENDOVENOUS THERAPY FOR VARICOSE VEINS AND CHRONIC VENOUS INSUFFICIENCY THESE, AND OTHER PROJECTS, ALLOW RAMC TO PROVIDE INCREASED LEVELS OF PATIENT SAFETY, QUALITY AND SATISFACTION OTHER SERVICES AVAILABLE TO MEET THE COMMUNITY'S HEALTH CARE NEEDS INCLUDE, BUT ARE NOT LIMITED TO, LABORATORY, REHABILITATION, SLEEP MEDICINE, SURGICAL SERVICES, CONSULTING, MASSAGE THERAPY, ORTHOPEDICS, OBSTETRICS, PARISH NURSING, CHEMOTHERAPY, VOLUNTEER SERVICES, COMMUNITY OUTREACH AND WELLNESS</p>						

[illegible][illegible]

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

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A 	1 Yes	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)? 	2 Yes	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I 	3	No
4 <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II 	4 Yes	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III 	5	No
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I 	6	No
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II 	7	No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8	No
9 Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 	9	No
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10	No
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI 	11a Yes	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII 	11b	No
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII 	11c Yes	
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX 	11d	No
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X 	11e Yes	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X 	11f Yes	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII 	12a	No
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional 	12b Yes	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV	14b	No
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV	15	No
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV	16	No
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)	17	No
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18	No
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	No
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H 	20a Yes	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b Yes	

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> . . . . .	21	Yes	
22	Did the organization report more than \$5,000 of grants or 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, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> . . . . .	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</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	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> 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	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If so, 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 employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <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	Yes	
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28b	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . . .	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . .	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> . . . . .	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> . . . . .	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> . . . . .	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		No
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . .	35b		
36	<b>Section 501(c)(3) organizations.</b> 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 11b and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .	38	Yes	

Part V

Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

☐

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	56	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	0	
1c			
2a		537	
2b		Yes	
3a			No
3b			
4a			No
b			
5a			No
5b			No
5c			
6a			No
6b			
7			
7a			No
7b			
7c			No
7d			
7e			No
7f			No
7g			
7h			
8			
9			
9a			
9b			
10			
10a			
10b			
11			
11a			
11b			
12a			
12b			
13			
13a			
13b			
13c			
14a			No
14b			

Part VI

Governance, Management, and Disclosure

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

Check if Schedule O contains a response or note to any line in this Part VI

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year . . . . .	12	
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O		
b	Enter the number of voting members included in line 1a, above, who are independent . . . . .	8	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? . . . . .	2	No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . . . . .	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? . . . . .	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? . . . . .	5	No
6	Did the organization have members or stockholders? . . . . .	6	No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? . . . . .	7a	No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? . . . . .	7b	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	No

Section B. Policies

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

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

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed▶
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input type="checkbox"/> Other (explain in Schedule O)
19	Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶BARRY BORCHERT 2000 NORTH DEWEY AVENUE REEDSBURG, WI 53959 (608) 524-6487

Part VII

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

Check if Schedule O contains a response or note to any line in this Part VII

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

- 1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year
- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation Enter -0- in columns (D), (E), and (F) if no compensation was paid

List all of the organization's **current** key employees, if any See instructions for definition of "key employee "

List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations

List all of the organization's **former** officers, key employees, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations

List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) JAMES SEBRANEK TRUSTEE	50	X						2,450	0	0
(2) DEANNA BENISH MD TRUSTEE	50	X						1,750	0	0
(3) WIN BYERS TRUSTEE	50	X						2,250	0	0
(4) ERIC MOLBERG TRUSTEE	50	X						2,300	0	0
(5) JAY BRUNKEN TRUSTEE	50	X						1,200	0	0
(6) PAMELA WELCH TRUSTEE	50	X						2,800	0	0
(7) KONYA ANTONETTI TRUSTEE	50	X						1,650	0	0
(8) DAN KLAHN TRUSTEE (EFFECTIVE 1/2014)	50	X						650	0	0
(9) KURT MUCHOW CHAIRPERSON	50	X		X				2,200	0	0
(10) KATHERINE CAMPBELL VICE CHAIR	50	X		X				1,900	0	0
(11) ERIC SAUEY TREASURER	50	X		X				2,200	0	0
(12) CHRIS WENNINGER MD SECRETARY	50	X		X				1,500	0	0
(13) BARRY BORCHERT TRUSTEE/CFO (EFFECTIVE 1/2014)	40 00	X		X				1,350	0	0
(14) JOSEPH SVETLIK VP FINANCE (THRU 1/2014)	40 00			X				165,672	0	38,385
(15) BOB VAN MEETEREN PRESIDENT/CEO	40 00			X				227,600	0	57,352
(16) DEAN FOCHIOS ORTHOPEDIC SURGEON	40 00					X		496,466	0	22,337
(17) KEVIN HIBBETT GENERAL SURGEON	40 00					X		348,521	0	14,505



## Part VII

<b>1b</b>	<b>Sub-Total . . . . .</b>			
<b>c</b>	<b>Total from continuation sheets to Part VII, Section A . . . . .</b>			
<b>d</b>	<b>Total (add lines 1b and 1c) . . . . .</b>	2,072,947	0	233,958

**2** Total number of individuals (including but not limited to those listed in Item 1) who received more than \$100,000 of reportable compensation from the organization. 20

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

## **Section B. Independent Contractors**

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
WEBER ORTHOPEDICS SC 922 OTT LANE BARABOO WI 53913	SURGEON	759,464
WIPFLI LLP PO BOX 8010 WAUSAU WI 54402	ACCOUNTING / CONSULTING SERVICES	120,737

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

Part VIII

Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514	
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	18,364			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	5,650			
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f . . . . .		24,014			
Program Service Revenue	2a	PATIENT SERVICE REVENUE	Business Code 621400	56,871,891	56,871,891		
	b	OTHER	900099	788,951		788,951	
	c	CAFETERIA REVENUE	722310	766,790		766,790	
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f . . . . .		58,427,632			
	Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) . . . . .		325,606		325,606
4		Income from investment of tax-exempt bond proceeds . . . . .					
5		Royalties . . . . .					
6a		Gross rents	(i) Real 400,486	(ii) Personal			
		b	Less rental expenses	0			
		c	Rental income or (loss)	400,486			
		d	Net rental income or (loss) . . . . .		400,486		400,486
7a		Gross amount from sales of assets other than inventory	(i) Securities 6,240,435	(ii) Other 2,480			
		b	Less cost or other basis and sales expenses	5,580,710	8,825		
		c	Gain or (loss)	659,725	-6,345		
		d	Net gain or (loss) . . . . .		653,380		653,380
8a		Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 . . . . .	a				
b		Less direct expenses . . . . .	b				
c		Net income or (loss) from fundraising events . . . . .					
9a		Gross income from gaming activities See Part IV, line 19 . . . . .	a				
b		Less direct expenses . . . . .	b				
c		Net income or (loss) from gaming activities . . . . .					
10a		Gross sales of inventory, less returns and allowances . . . . .	a				
b		Less cost of goods sold . . . . .	b				
c		Net income or (loss) from sales of inventory . . . . .					
Miscellaneous Revenue		Business Code					
11a							
b							
c							
d	All other revenue . . . . .						
e	Total. Add lines 11a-11d . . . . .						
12	Total revenue. See Instructions . . . . .		59,831,118	56,871,891	0	2,935,213	

Part IX

Statement of Functional Expenses

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

Check if Schedule O contains a response or note to any line in this Part IX

☒

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States. See Part IV, line 21.	422,605	422,605		
2	Grants and other assistance to individuals in the United States. See Part IV, line 22.	89,637	89,637		
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.				
4	Benefits paid to or for members.				
5	Compensation of current officers, directors, trustees, and key employees.	511,935		511,935	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).				
7	Other salaries and wages.	21,290,931	18,900,274	2,390,657	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	796,345	706,927	89,418	
9	Other employee benefits.	5,148,702	4,570,579	578,123	
10	Payroll taxes.	1,453,432	1,290,233	163,199	
11	Fees for services (non-employees):				
a	Management.	72,215		72,215	
b	Legal.	78,243		78,243	
c	Accounting.				
d	Lobbying.				
e	Professional fundraising services. See Part IV, line 17.				
f	Investment management fees.				
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	8,841,105	8,050,499	790,606	
12	Advertising and promotion.	272,400		272,400	
13	Office expenses.	776,784	5,251	771,533	
14	Information technology.	175,039		175,039	
15	Royalties.				
16	Occupancy.	1,694,949	1,694,949		
17	Travel.	145,541	89,726	55,815	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19	Conferences, conventions, and meetings.				
20	Interest.				
21	Payments to affiliates.				
22	Depreciation, depletion, and amortization.	2,745,371	2,745,371		
23	Insurance.	256,960		256,960	
24	Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O):				
a	MEDICAL SUPPLIES	5,719,144	5,719,144		
b	REPAIR & MAINTENANCE	1,286,733	1,237,181	49,552	
c	NONMEDICAL SUPPLIES	1,270,057	559,164	710,893	
d	BAD DEBT EXPENSE	855,849	855,849		
e	All other expenses	1,019,556	958,967	60,589	
25	<b>Total functional expenses.</b> Add lines 1 through 24e.	54,923,533	47,896,356	7,027,177	0
26	<b>Joint costs.</b> Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X

Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X ☐

				(A)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing . . . . .		32,815	1	46,228
	2	Savings and temporary cash investments . . . . .		6,275,706	2	5,526,961
	3	Pledges and grants receivable, net . . . . .			3	
	4	Accounts receivable, net . . . . .		7,422,401	4	11,510,988
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L . . . . .			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net . . . . .		96,946	7	95,303
	8	Inventories for sale or use . . . . .		1,531,572	8	1,542,039
	9	Prepaid expenses and deferred charges . . . . .		692,258	9	759,873
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a54,921,154			
	b	Less accumulated depreciation . . . . .	10b27,911,060	27,755,759	10c	27,010,094
	11	Investments—publicly traded securities . . . . .		12,806,411	11	16,216,793
	12	Investments—other securities See Part IV, line 11 . . . . .			12	
	13	Investments—program-related See Part IV, line 11 . . . . .		4,854,023	13	5,031,113
	14	Intangible assets . . . . .			14	242,000
	15	Other assets See Part IV, line 11 . . . . .		3,669,044	15	3,025,602
	16	<b>Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .		65,136,935	16	71,006,994
Liabilities	17	Accounts payable and accrued expenses . . . . .		5,456,522	17	7,264,628
	18	Grants payable . . . . .			18	
	19	Deferred revenue . . . . .		317,816	19	141,798
	20	Tax-exempt bond liabilities . . . . .		19,624,880	20	18,770,750
	21	Escrow or custodial account liability Complete Part IV of Schedule D . . . . .			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L . . . . .			22	
	23	Secured mortgages and notes payable to unrelated third parties . . . . .		812,113	23	520,840
	24	Unsecured notes and loans payable to unrelated third parties . . . . .			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D . . . . .		1,179,356	25	1,215,564
	26	<b>Total liabilities.</b> Add lines 17 through 25 . . . . .		27,390,687	26	27,913,580
Net Assets or Fund Balances	<b>Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>					
	27	Unrestricted net assets . . . . .		36,381,325	27	41,587,356
	28	Temporarily restricted net assets . . . . .		1,364,923	28	1,506,058
	29	Permanently restricted net assets . . . . .			29	
	<b>Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.</b>					
	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	<b>Total net assets or fund balances</b> . . . . .		37,746,248	33	43,093,414
	34	<b>Total liabilities and net assets/fund balances</b> . . . . .		65,136,935	34	71,006,994

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI . . . . .

1	Total revenue (must equal Part VIII, column (A), line 12) . . . . .	1	59,831,118
2	Total expenses (must equal Part IX, column (A), line 25) . . . . .	2	54,923,533
3	Revenue less expenses Subtract line 2 from line 1 . . . . .	3	4,907,585
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . . . . .	4	37,746,248
5	Net unrealized gains (losses) on investments . . . . .	5	189,755
6	Donated services and use of facilities . . . . .	6	
7	Investment expenses . . . . .	7	
8	Prior period adjustments . . . . .	8	
9	Other changes in net assets or fund balances (explain in Schedule O) . . . . .	9	249,826
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	43,093,414

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII . . . . .

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> 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? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		No
2b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	Yes	
2c	If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
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
3b	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.

▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization REEDSBURG AREA MEDICAL CENTER	Employer identification number 39-1091432
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Part I

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

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

- 1

☐

A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E )
- 3

☒

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state \_\_\_\_\_
- 5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II )
- 6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II )
- 8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II )
- 9

☐

An organization that normally receives (1) more than 33<sup>1</sup>/<sub>3</sub>% 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<sup>1</sup>/<sub>3</sub>% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III )
- 10

☐

An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**
- 11

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Non-functionally integrated

e

☐

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

f

☐

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

g

☐

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

(i)

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

(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 monetary support
			Yes	No	Yes	No	Yes	No	
Total									

Part II

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

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV )						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here . . . . . ▶						

Section C. Computation of Public Support Percentage						
14 Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f))		14				
15 Public support percentage for 2012 Schedule A, Part II, line 14		15				
16a 33 1/3% support test—2013. 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—2012. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization						▶
17a 10%-facts-and-circumstances test—2013. 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—2012. 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 Section 509(a)(2)  
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6.)						

Section B. Total Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶						

Section C. Computation of Public Support Percentage		
15 Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f))	15	
16 Public support percentage from 2012 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage		
17 Investment income percentage for 2013 (line 10c, column (f) divided by line 13, column (f))	17	
18 Investment income percentage from 2012 Schedule A, Part III, line 17	18	
19a 33 1/3% support tests—2013. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ▶		
b 33 1/3% support tests—2012. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ▶		
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶		



Part IV

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

Facts And Circumstances Test		
Return Reference	Explanation	

SCHEDULE C

(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527  
▶ **Complete if the organization is described below.** ▶ **Attach to Form 990 or Form 990-EZ.**  
▶ **See separate instructions.** ▶ **Information about Schedule C (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

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

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

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

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

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

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

Name of the organization REEDSBURG AREA MEDICAL CENTER	Employer identification number  39-1091432
---	--

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

1	Provide a description of the organization's direct and indirect political campaign activities in Part IV	
2	Political expenditures	▶ \$
3	Volunteer hours	

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

1	Enter the amount of any excise tax incurred by the organization under section 4955	▶ \$
2	Enter the amount of any excise tax incurred by organization managers under section 4955	▶ \$
3	If the organization incurred a section 4955 tax, did it file Form 4720 for this year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4a	Was a correction made?	<input type="checkbox"/> Yes <input type="checkbox"/> No
b	If "Yes," describe in Part IV	

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

1	Enter the amount directly expended by the filing organization for section 527 exempt function activities	▶ \$
2	Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities	▶ \$
3	Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b	▶ \$
4	Did the filing organization file <b>Form 1120-POL</b> for this year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
5	Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV	

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

Part II-A

Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

- A
- Check ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)
- B
- Check ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)															
b Total lobbying expenditures to influence a legislative body (direct lobbying)															
c Total lobbying expenditures (add lines 1a and 1b)															
d Other exempt purpose expenditures															
e Total exempt purpose expenditures (add lines 1c and 1d)															
f Lobbying nontaxable amount Enter the amount from the following table in both columns															
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g Grassroots nontaxable amount (enter 25% of line 1f)															
h Subtract line 1g from line 1a If zero or less, enter -0-															
i Subtract line 1f from line 1c If zero or less, enter -0-															
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input type="checkbox"/> No													

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B

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

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(a)		(b)
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		4,383
j	Total. Add lines 1c through 1i.			4,383
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A

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

		Yes	No
1	Were substantially all (90% or more) dues received nondeductible by members?	1	
2	Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	
3	Did the organization agree to carry over lobbying and political expenditures from the prior year?	3	

Part III-B

Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No" OR (b) Part III-A, line 3, is answered "Yes."

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

Part IV

Supplemental Information

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

Return Reference	Explanation
PART II-B, LINE 1	REEDSBURG AREA MEDICAL CENTER (RAMC) PAYS ANNUAL ASSOCIATION MEMBERSHIP DUES TO THE AMERICAN HOSPITAL ASSOCIATION (AHA) AND THE WISCONSIN HOSPITAL ASSOCIATION (WHA). THESE DUES ARE PRIMARILY TO ACCESS EDUCATIONAL MATERIALS AND FOR STAFF TRAINING. THE AHA AND WHA HAVE NOTIFIED RAMC THAT \$4,383 OF THE ANNUAL DUES PAID WERE USED IN CONJUNCTION WITH LOBBYING ACTIVITIES WITH THE GOAL OF IMPROVING THE OVERALL HEALTHCARE ENVIRONMENT.

[illegible]

SCHEDULE D  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Supplemental Financial Statements

▶ **Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b**  
▶ **Attach to Form 990.** ▶ **See separate instructions.** ▶ **Information about Schedule D (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).**

OMB No 1545-0047

2013

Open to Public Inspection

<b>Name of the organization</b> REEDSBURG AREA MEDICAL CENTER	<b>Employer identification number</b>  39-1091432
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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? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	

Part II

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

1

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

☐ Preservation of land for public use (e g , recreation or education) ☐ Preservation of an historically important land area  
☐ Protection of natural habitat ☐ Preservation of a certified historic structure  
☐ Preservation of open space

2

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

	Held at the End of the Year
a	Total number of conservation easements
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, and not on a historic structure listed in the National Register

3

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

4

Number of states where property subject to conservation easement is located ▶ \_\_\_\_\_

5

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

☐ Yes ☐ No

6

Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ \_\_\_\_\_

7

Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ \_\_\_\_\_

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?

☐ Yes ☐ No

9

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

Part III

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

1a

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

b

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

(i) Revenues included in Form 990, Part VIII, line 1

▶ \$ \_\_\_\_\_

(ii) Assets included in Form 990, Part X

▶ \$ \_\_\_\_\_

2

If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

a

Revenues included in Form 990, Part VIII, line 1

▶ \$ \_\_\_\_\_

b

Assets included in Form 990, Part X

▶ \$ \_\_\_\_\_

Part III

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

- 3
- Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply)
- a

☐ Public exhibition

d

☐ Loan or exchange programs

b

☐ Scholarly research

e

☐ Other

c

☐ Preservation for future generations
- 4
- Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII
- 5
- During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?
- ☐ Yes

☐ No

Part IV

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

- 1a
- Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?
- ☐ Yes

☐ No
- b
- If "Yes," explain the arrangement in Part XIII and complete the following table
- |    |        |
|----|--------|
|    | Amount |
| 1c |        |
| 1d |        |
| 1e |        |
| 1f |        |

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

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

☐ No
- b
- If "Yes," explain the arrangement in Part XIII Check here if the explanation has been provided in Part XIII
- ☐

Part V

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

	(a)Current year	(b)Prior year	b (c)Two years back	(d)Three years back	(e)Four years back
1a	Beginning of year balance				
b	Contributions				
c	Net investment earnings, gains, and 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 current year end balance (line 1g, column (a)) held as
- a

Board designated or quasi-endowment

b

Permanent endowment

c

Temporarily restricted endowment
- The percentages in lines 2a, 2b, and 2c should equal 100%
- 3a
- Are there endowment funds not in the possession of the organization that are held and administered for the organization by
- (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
- Part VI

Land, Buildings, and Equipment. Complete if the organization answered 'Yes' to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.
- | Description of property  | (a) Cost or other basis (investment) | (b)Cost or other basis (other) | (c) Accumulated depreciation | (d) Book value |
|--|--------------------------------------|--------------------------------|------------------------------|----------------|
| 1a Land  |                                      | 26,703                         |                              | 26,703         |
| b Buildings  |                                      | 36,496,134                     | 15,183,174                   | 21,312,960     |
| c Leasehold improvements   |                                      |                                |                              |                |
| d Equipment  |                                      | 17,094,411                     | 12,320,658                   | 4,773,753      |
| e Other  |                                      | 1,303,906                      | 407,228                      | 896,678        |
| Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).) |                                      |                                |                              | 27,010,094     |
- Schedule D (Form 990) 2013





**Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return** Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

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

**Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

<b>1</b>	Total expenses and losses per audited financial statements . . . . .	<b>1</b>	
<b>2</b>	Amounts included on line 1 but not on Form 990, Part IX, line 25		
<b>a</b>	Donated services and use of facilities . . . . .	<b>2a</b>	
<b>b</b>	Prior year adjustments . . . . .	<b>2b</b>	
<b>c</b>	Other losses . . . . .	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIII ) . . . . .	<b>2d</b>	
<b>e</b>	Add lines <b>2a</b> through <b>2d</b> . . . . .	<b>2e</b>	
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b> . . . . .	<b>3</b>	
<b>4</b>	Amounts included on Form 990, Part IX, line 25, but not on line <b>1</b> :		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	<b>4a</b>	
<b>b</b>	Other (Describe in Part XIII ) . . . . .	<b>4b</b>	
<b>c</b>	Add lines <b>4a</b> and <b>4b</b> . . . . .	<b>4c</b>	
<b>5</b>	Total expenses Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 18 ) . . . . .	<b>5</b>	

**Part XIII Supplemental Information**

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

Return Reference	Explanation
PART X, LINE 2	IN ORDER TO ACCOUNT FOR ANY UNCERTAIN TAX POSITIONS, REEDSBURG AREA MEDICAL CENTER ASSESSES WHETHER IT IS MORE LIKELY THAN NOT THAT A TAX POSITION WILL BE SUSTAINED UPON EXAMINATION OF THE TECHNICAL MERITS OF THE POSITION, ASSUMING THE TAXING AUTHORITY HAS FULL KNOWLEDGE OF ALL INFORMATION. IF THE TAX POSITION DOES NOT MEET THE MORE LIKELY THAN NOT RECOGNITION THRESHOLD, THE BENEFIT OF THE TAX POSITION IS NOT RECOGNIZED IN THE COMBINED FINANCIAL STATEMENTS. REEDSBURG AREA MEDICAL CENTER RECORDED NO ASSETS OR LIABILITIES FOR UNCERTAIN TAX POSITIONS OR UNRECOGNIZED BENEFITS IN 2014 AND 2013. FEDERAL RETURNS FOR THE YEARS ENDED SEPTEMBER 30, 2011, AND BEYOND REMAIN SUBJECT TO EXAMINATION BY THE INTERNAL REVENUE SERVICE.

[illegible]

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.  
► Information about Schedule H (Form 990) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization  
REEDSBURG AREA MEDICAL CENTER

Employer identification number  
39-1091432

Part I

Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a . . . .	1a Yes	
b	If "Yes," was it a written policy? . . . . .	1b Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year  <input type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities		
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year  a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for <i>free</i> care  <input type="checkbox"/> 100% <input checked="" type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	3a Yes	
b	Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care . . . . .  <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input checked="" type="checkbox"/> 400% <input type="checkbox"/> Other _____ %	3b Yes	
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care		
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"? . . . . .	4 Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? . . . . .	5a Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? . . . . .	5b	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	Did the organization prepare a community benefit report during the tax year? . . . . .	6a Yes	
b	If "Yes," did the organization make it available to the public? . . . . .	6b Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.		

7

Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1) . . . .			955,826		955,826	1 770 %
b Medicaid (from Worksheet 3, column a) . . . . .			5,644,306	5,202,370	441,936	0 820 %
c Costs of other means-tested government programs (from Worksheet 3, column b) . .						
d <b>Total</b> Financial Assistance and Means-Tested Government Programs . .			6,600,132	5,202,370	1,397,762	2 590 %
<b>Other Benefits</b>						
e Community health improvement services and community benefit operations (from Worksheet 4) . . . .			188,134	15,796	172,338	0 320 %
f Health professions education (from Worksheet 5) . . . .			150,327		150,327	0 280 %
g Subsidized health services (from Worksheet 6) . . . .			6,074,602	3,010,957	3,063,645	5 670 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			438,136		438,136	0 810 %
j <b>Total</b> Other Benefits . . . .			6,851,199	3,026,753	3,824,446	7 080 %
k <b>Total.</b> Add lines 7d and 7j . .			13,451,331	8,229,123	5,222,208	9 670 %

Part IICommunity Building Activities

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1Physical improvements and housing						
2Economic development			13,315		13,315	0.020 %
3Community support			34,305		34,305	0.060 %
4Environmental improvements			28,012		28,012	0.050 %
5Leadership development and training for community members						
6Coalition building						
7Community health improvement advocacy						
8Workforce development						
9Other			18,751	2,575	16,176	0.030 %
10Total			94,383	2,575	91,808	0.160 %

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?

1

No

2Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount.

2

408,995

3Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit.

3

204,498

4Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.

Section B. Medicare

5Enter total revenue received from Medicare (including DSH and IME).

5

14,630,274

6Enter Medicare allowable costs of care relating to payments on line 5.

6

14,711,943

7Subtract line 6 from line 5. This is the surplus (or shortfall).

7

-81,669

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

9aDid the organization have a written debt collection policy during the tax year?

9a

Yes

bIf "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI.

9b

Yes

Part IVManagement Companies and Joint Ventures

(owned 10% or more by officers, directors, trustees, key employees, and physicians—see instructions)

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

Part V

Facility Information

Section A. Hospital Facilities

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

Name, address, primary website address, and state license number

		Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
	See Additional Data Table										

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

REEDSBURG AREA MEDICAL CENTER

Name of hospital facility or facility reporting group

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A )

1

	Yes	No
<b>Community Health Needs Assessment</b> (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)		
<b>1</b> During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 . . . . . If "Yes," indicate what the CHNA report describes (check all that apply)	<b>1</b> Yes	
<b>a</b> <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
<b>b</b> <input checked="" type="checkbox"/> Demographics of the community		
<b>c</b> <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
<b>d</b> <input checked="" type="checkbox"/> How data was obtained		
<b>e</b> <input checked="" type="checkbox"/> The health needs of the community		
<b>f</b> <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
<b>g</b> <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
<b>h</b> <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
<b>i</b> <input checked="" type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
<b>j</b> <input type="checkbox"/> Other (describe in Part VI)		
<b>2</b> Indicate the tax year the hospital facility last conducted a CHNA 20 <u>12</u>		
<b>3</b> In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted . . . . .	<b>3</b> Yes	
<b>4</b> Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI . . . . .	<b>4</b>	No
<b>5</b> Did the hospital facility make its CHNA report widely available to the public? . . . . . If "Yes," indicate how the CHNA report was made widely available (check all that apply)	<b>5</b> Yes	
<b>a</b> <input checked="" type="checkbox"/> Hospital facility's website (list url) <u>SEE PART V, SECTION B, LINE 5D</u>		
<b>b</b> <input type="checkbox"/> Other website (list url) _____		
<b>c</b> <input checked="" type="checkbox"/> Available upon request from the hospital facility		
<b>d</b> <input checked="" type="checkbox"/> Other (describe in Part VI)		
<b>6</b> If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)		
<b>a</b> <input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
<b>b</b> <input checked="" type="checkbox"/> Execution of the implementation strategy		
<b>c</b> <input checked="" type="checkbox"/> Participation in the development of a community-wide plan		
<b>d</b> <input checked="" type="checkbox"/> Participation in the execution of a community-wide plan		
<b>e</b> <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
<b>f</b> <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
<b>g</b> <input checked="" type="checkbox"/> Prioritization of health needs in its community		
<b>h</b> <input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
<b>i</b> <input type="checkbox"/> Other (describe in Part VI)		
<b>7</b> Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs . . . . .	<b>7</b> Yes	
<b>8a</b> Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)? . . . . .	<b>8a</b>	No
<b>b</b> If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax? . . . . .	<b>8b</b>	
<b>c</b> If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$ _____		

Part V

Facility Information (continued)

Financial Assistance Policy		Yes	No
<b>9</b> Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?		<b>9</b>	Yes
<b>10</b> Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? . . . . . If "Yes," indicate the FPG family income limit for eligibility for free care <u>150 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		<b>10</b>	Yes
<b>11</b> Used FPG to determine eligibility for providing <i>discounted</i> care? . . . . . If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>400 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		<b>11</b>	Yes
<b>12</b> Explained the basis for calculating amounts charged to patients? . . . . . If "Yes," indicate the factors used in determining such amounts (check all that apply)		<b>12</b>	Yes
<b>a</b> <input checked="" type="checkbox"/> Income level			
<b>b</b> <input checked="" type="checkbox"/> Asset level			
<b>c</b> <input type="checkbox"/> Medical indigency			
<b>d</b> <input checked="" type="checkbox"/> Insurance status			
<b>e</b> <input checked="" type="checkbox"/> Uninsured discount			
<b>f</b> <input type="checkbox"/> Medicaid/Medicare			
<b>g</b> <input type="checkbox"/> State regulation			
<b>h</b> <input type="checkbox"/> Residency			
<b>i</b> <input type="checkbox"/> Other (describe in Part VI)			
<b>13</b> Explained the method for applying for financial assistance? . . . . .		<b>13</b>	Yes
<b>14</b> Included measures to publicize the policy within the community served by the hospital facility? . . . . . If "Yes," indicate how the hospital facility publicized the policy (check all that apply)		<b>14</b>	Yes
<b>a</b> <input checked="" type="checkbox"/> The policy was posted on the hospital facility's website			
<b>b</b> <input type="checkbox"/> The policy was attached to billing invoices			
<b>c</b> <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms			
<b>d</b> <input type="checkbox"/> The policy was posted in the hospital facility's admissions offices			
<b>e</b> <input type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility			
<b>f</b> <input checked="" type="checkbox"/> The policy was available upon request			
<b>g</b> <input checked="" type="checkbox"/> Other (describe in Part VI)			
Billing and Collections			
<b>15</b> Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment? . . . . .		<b>15</b>	No
<b>16</b> Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP			
<b>a</b> <input type="checkbox"/> Reporting to credit agency			
<b>b</b> <input type="checkbox"/> Lawsuits			
<b>c</b> <input type="checkbox"/> Liens on residences			
<b>d</b> <input type="checkbox"/> Body attachments			
<b>e</b> <input type="checkbox"/> Other similar actions (describe in Section C)			
<b>17</b> Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP? . . . . . If "Yes," check all actions in which the hospital facility or a third party engaged		<b>17</b>	No
<b>a</b> <input type="checkbox"/> Reporting to credit agency			
<b>b</b> <input type="checkbox"/> Lawsuits			
<b>c</b> <input type="checkbox"/> Liens on residences			
<b>d</b> <input type="checkbox"/> Body attachments			
<b>e</b> <input type="checkbox"/> Other similar actions (describe in Section C)			

Part V

Facility Information (continued)

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

☐ Notified individuals of the financial assistance policy on admission
- b

☐ Notified individuals of the financial assistance policy prior to discharge
- c

☒ Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills
- d

☒ Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy
- e

☐ Other (describe in Section C)

Policy Relating to Emergency Medical Care

	Yes	No
19 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? . . . . . If "No," indicate why	19 Yes	
a <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b <input type="checkbox"/> The hospital facility's policy was not in writing		
c <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d <input type="checkbox"/> Other (describe in Part VI)		

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

20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care		
a <input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b <input type="checkbox"/> The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
c <input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d <input checked="" type="checkbox"/> Other (describe in Part VI)		
21 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care? . . . . . If "Yes," explain in Part VI	21	No
22 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? . . . . . If "Yes," explain in Part VI	22	No



Part V

Facility Information *(continued)*

**Section C. Supplemental Information for Part V, Section B.**Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
See Additional Data Table	

**Part V**

**Facility Information** *(continued)*

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

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

Name and address	Type of Facility (describe)
<b>1</b> _____	
<b>2</b> _____	
<b>3</b> _____	
<b>4</b> _____	
<b>5</b> _____	
<b>6</b> _____	
<b>7</b> _____	
<b>8</b> _____	
<b>9</b> _____	
<b>10</b> _____	

Part VI

Supplemental Information

Provide the following information

- 1
- Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II and Part III, lines 2, 3, 4, 8 and 9b
- 2
- Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B
- 3
- Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4
- Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5
- Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc )
- 6
- Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7
- State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Form and Line Reference	Explanation
PART I, LINE 6A	REEDSBURG AREA MEDICAL CENTER (THE "HOSPITAL") PREPARES A COMMUNITY BENEFIT REPORT ANNUALLY AND FILES IT WITH THE WISCONSIN HOSPITAL ASSOCIATION (WHA) THE REPORT IS AVAILABLE TO THE GENERAL PUBLIC ON WHA'S DATABASE AND WEBSITE

Form and Line Reference	Explanation
PART I, LINE 7	THE COSTING METHOD USED ON FORM 990 IS BASED ON A COST-TO-CHARGE RATIO, WHICH IS DEVELOPED BASED ON THE HOSPITAL'S TOTAL OPERATING EXPENSES LESS THE PROVISION FOR BAD DEBT DIVIDED BY GROSS PATIENT SERVICE REVENUE THIS COST-TO-CHARGE RATIO IS APPLIED AGAINST VARIOUS REVENUE AND EXPENSE CATEGORIES TO COMPUTE THE ESTIMATED COMMUNITY BENEFIT EXPENSE UNDER IRS SUGGESTED COSTING METHODS FOR THE FORM 990 THE COSTING METHOD FOR SUBSIDIZED HEALTH SERVICES IS BASED ON ALLOCATED EXPENSES FROM THE MEDICARE COST REPORT, WHICH IS SIMILAR TO A DIRECT COST ACCOUNTING SYSTEM

Form and Line Reference	Explanation
PART I, LINE 7G	SUBSIDIZED HEALTH SERVICES AT REEDSBURG AREA MEDICAL CENTER INCLUDE THE OPERATION OF THE HOSPITAL INPATIENT DEPARTMENTS THAT OPERATE AT A LOSS FROM OPERATIONS, BUT ARE CONSIDERED VITAL HOSPITAL AND CLINIC SERVICES SUCH AS THE INTENSIVE CARE UNIT AND MEDICAL/SURGICAL NURSING UNIT A LARGE PORTION OF THESE SERVICES ARE ACCESSED BY COMMUNITY MEMBERS THROUGH THE HOSPITAL'S EMERGENCY SERVICES DEPARTMENT IT IS THE GOAL OF REEDSBURG AREA MEDICAL CENTER TO PROVIDE THESE SERVICES TO THE COMMUNITY REGARDLESS OF A PATIENT'S ABILITY TO PAY

Form and Line Reference	Explanation
PART I, LINE 7, COLUMN (F)	THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS \$ 855,849

Form and Line Reference	Explanation
PART II, COMMUNITY BUILDING ACTIVITIES	<p>REEDSBURG AREA MEDICAL CENTER IS COMMITTED TO THE HEALTH OF OUR COMMUNITY AND THE IMPORTANT PART WE PLAY IN MAINTAINING AND IMPROVING THE OVERALL HEALTH OF OUR CONSTITUENTS WE TAKE AN ACTIVE ROLE IN EQUIPPING OUR COMMUNITY MEMBERS WITH THE SKILLS NEEDED TO CREATE BETTER HEALTH REEDSBURG AREA MEDICAL CENTER PROVIDES HEALTH CARE SERVICES AND OTHER FINANCIAL SUPPORT THROUGH VARIOUS PROGRAMS THAT ARE DESIGNED, AMONG OTHER MATTERS, TO ENHANCE THE HEALTH OF THE COMMUNITY, INCLUDING THE HEALTH OF LOW-INCOME PATIENTS CONSISTENT WITH OUR MISSION, CARE IS PROVIDED TO PATIENTS REGARDLESS OF THEIR ABILITY TO PAY, INCLUDING PROVIDING SERVICES TO THOSE PERSONS WHO CANNOT AFFORD HEALTH INSURANCE BECAUSE OF INADEQUATE RESOURCES OR ARE UNDERINSURED COMMUNITY BENEFITS ALSO INCLUDE UNPAID COSTS OF TREATING THE ELDERLY, HEALTH SCREENINGS, COMMUNITY EDUCATION AND OTHER HEALTH-RELATED SERVICES OUR COMMUNITY BUILDING ACTIVITIES WORK TO ADDRESS UNDERLYING HEALTH DETERMINANTS AND SUPPORT PROGRAMS MEANT TO IMPROVE HEALTH BEFORE INTERVENTION IS REQUIRED AS WELL AS PROVIDING RESOURCES FOR THOSE LOOKING TO IMPROVE THEIR CURRENT HEALTH SITUATION</p> <p>REEDSBURG AREA MEDICAL CENTER EMPLOYEES ARE ACTIVE IN EDUCATING THE COMMUNITY ON A WIDE VARIETY OF HEALTH TOPICS AND PARTICIPATE ON NUMEROUS LOCAL BOARDS HEALTH-RELATED BOARD POSITIONS RANGE FROM THOSE FOCUSING ON AREA DENTAL AND EMERGENCY MEDICAL SERVICES TO THE RURAL WISCONSIN HEALTH COOPERATIVE AND SAUK COUNTY HEALTH BOARDS MANY EMPLOYEES ARE ALSO MEMBERS OF COMMUNITY SERVICE BOARDS AND VOLUNTEER GROUPS REEDSBURG AREA MEDICAL CENTER IS MINDFUL OF AND PROACTIVE IN DEVELOPING OR PARTNERING WITH GROUPS WORKING TO BETTER THE CURRENT ECONOMIC AND ENVIRONMENTAL CONDITIONS OF OUR COMMUNITY REEDSBURG AREA MEDICAL CENTER IS ORGANIZED AND OPERATED WITH THE GOAL OF PROMOTING THE HEALTH OF THE COMMUNITY WE SERVE WE SUPPORT THIS MISSION WITH A BOARD COMPRISED OF LOCAL, INDEPENDENT COMMUNITY MEMBERS, A MEDICAL STAFF ORGANIZED IN THE PUBLIC INTEREST AND OPEN TO ALL QUALIFIED PHYSICIANS AND AN EMERGENCY ROOM AVAILABLE TO ALL, REGARDLESS OF ABILITY TO PAY THE BOARD TAKES A BALANCED APPROACH WHEN IT SETS POLICY AND STRATEGIC DIRECTION FOR THE HOSPITAL, WORKING TO ALIGN COMMUNITY NEEDS WITH BUSINESS AND FINANCIAL CONCERNS THE USE OF SURPLUS FUNDS IS LARGELY DETERMINED BY THE BOARD IN ITS ATTEMPT TO MEET ITS GOAL</p> <p>REEDSBURG AREA MEDICAL CENTER IS THE SOLE HOSPITAL IN OUR COMMUNITY AND PROVIDES NUMEROUS VOLUNTEER OPPORTUNITIES FOR AREA RESIDENTS</p>

Form and Line Reference	Explanation
PART III, LINE 2	THE COSTING METHODOLOGY USED ON FORM 990 IS BASED ON A COST-TO-CHARGE RATIO, WHICH IS DEVELOPED BASED ON THE HOSPITAL'S TOTAL OPERATING EXPENSES EXCLUDING THE PROVISION FOR BAD DEBT, DIVIDED BY GROSS PATIENT SERVICE REVENUE. THIS COST-TO-CHARGE RATIO IS APPLIED AGAINST THE TOTAL CHARGES THAT ARE WRITTEN OFF DURING THE FISCAL YEAR TO ESTIMATE THE COST OF THE CARE OF PATIENTS WHO HAVE ACCOUNTS THAT ARE DEEMED TO BE BAD DEBTS TO THE HOSPITAL. THE HOSPITAL ALSO RECOGNIZES THAT IT ALSO PROVIDES A DISCOUNT TO SELF-PAY OR UNINSURED PATIENTS. THESE AMOUNTS ARE INCLUDED IN THE CONTRACTUAL ADJUSTMENTS ON THE FINANCIAL STATEMENTS AND ARE NOT INCLUDED IN THE RATIO AS DESCRIBED ABOVE AND APPROVED BY THE IRS FOR USE ON FORM 990. IF CONSIDERED, THESE ADDITIONAL WRITE-OFF AMOUNTS TO UNINSURED ACCOUNTS WOULD ALSO INCREASE THE ESTIMATED BAD DEBT EXPENSE AMOUNT ASSOCIATED WITH THESE UNCOLLECTIBLE ACCOUNTS TO THE HOSPITAL.



Form and Line Reference	Explanation
PART III, LINE 3	MANAGEMENT PROVIDES FOR PROBABLE UNCOLLECTIBLE AMOUNTS, PRIMARILY UNINSURED PATIENTS AND AMOUNTS PATIENTS ARE PERSONALLY RESPONSIBLE FOR, THROUGH A CHARGE TO OPERATIONS AND A CREDIT TO A VALUATION ALLOWANCE BASED ON ITS ASSESSMENT OF HISTORICAL COLLECTION LIKELIHOOD AND THE CURRENT STATUS OF INDIVIDUAL ACCOUNTS BALANCES THAT ARE STILL OUTSTANDING AFTER THE HOSPITAL HAS USED REASONABLE COLLECTION EFFORTS ARE WRITTEN OFF THROUGH A CHARGE TO THE VALUATION ALLOWANCE AND A CREDIT TO ACCOUNTS RECEIVABLE MANY TIMES PATIENTS DO NOT COMPLETE THE REQUIRED CHARITY CARE APPLICATION AND ARE TRANSFERRED TO COLLECTION SERVICES EVEN THOUGH REEDSBURG AREA MEDICAL CENTER PROVIDES THIS INFORMATION TO ALL PATIENTS AND ASSISTANCE WITH THE APPLICATIONS DUE TO NO RESPONSES FROM SOME PATIENTS, A SIGNIFICANT AMOUNT OF BAD DEBTS COULD BE CONSIDERED AS CHARITY CARE

Form and Line Reference	Explanation
PART III, LINE 4	<p>PATIENT ACCOUNTS RECEIVABLE AND CREDIT POLICY IN EVALUATING THE COLLECTABILITY OF PATIENT ACCOUNTS RECEIVABLE, THE HOSPITAL ANALYZES PAST RESULTS AND IDENTIFIES TRENDS FOR EACH OF ITS MAJOR PAYOR SOURCES OF REVENUE TO ESTIMATE THE APPROPRIATE ALLOWANCE FOR DOUBTFUL ACCOUNTS AND PROVISION FOR BAD DEBTS. MANAGEMENT REGULARLY REVIEWS DATA ABOUT THESE MAJOR PAYOR SOURCES OF REVENUE IN EVALUATING THE SUFFICIENCY OF THE ALLOWANCE FOR DOUBTFUL ACCOUNTS. SPECIFICALLY, FOR RECEIVABLES ASSOCIATED WITH SERVICES PROVIDED TO PATIENTS WHO HAVE THIRD-PARTY COVERAGE, THE HOSPITAL ANALYZES CONTRACTUALLY DUE AMOUNTS AND PROVIDES AN ALLOWANCE FOR DOUBTFUL ACCOUNTS AND A PROVISION FOR BAD DEBTS FOR EXPECTED UNCOLLECTIBLE DEDUCTIBLES AND COPAYMENTS ON ACCOUNTS FOR WHICH THE THIRD-PARTY PAYOR HAS NOT YET PAID, OR FOR PAYORS AND PATIENTS WHO ARE KNOWN TO BE HAVING FINANCIAL DIFFICULTIES THAT MAKE THE REALIZATION OF AMOUNTS DUE UNLIKELY. FOR RECEIVABLES ASSOCIATED WITH SELF-PAY PATIENTS (WHICH INCLUDES BOTH PATIENTS WITHOUT INSURANCE AND PATIENTS WITH DEDUCTIBLE AND COPAYMENT BALANCES DUE FOR WHICH THIRD-PARTY COVERAGE EXISTS FOR PART OF THE BILL), THE HOSPITAL RECORDS A PROVISION FOR BAD DEBTS IN THE PERIOD OF SERVICE ON THE BASIS OF ITS PAST EXPERIENCE, WHICH INDICATES THAT MANY PATIENTS ARE UNABLE OR UNWILLING TO PAY THE PORTION OF THEIR BILL FOR WHICH THEY ARE FINANCIALLY RESPONSIBLE. THE DIFFERENCE BETWEEN THE STANDARD RATES (OR THE DISCOUNTED RATES IF NEGOTIATED) AND THE AMOUNTS ACTUALLY COLLECTED AFTER ALL REASONABLE COLLECTION EFFORTS HAVE BEEN EXHAUSTED IS CHARGED OFF AGAINST THE ALLOWANCE FOR DOUBTFUL ACCOUNTS. THE AUDITED FINANCIAL STATEMENTS DO NOT INCLUDE A SEPARATE FOOTNOTE REGARDING BAD DEBT EXPENSE.</p>

Form and Line Reference	Explanation
PART III, LINE 8	<p>THE TOTAL MEDICARE REVENUE SHOWN IN SCHEDULE H TO THE FORM 990 IS BASED ON THE IRS 990 INSTRUCTIONS AND INCLUDES ONLY A PORTION OF THE GROSS MEDICARE REVENUE OF THE HOSPITAL, AND ALSO DOES NOT CONSIDER ALL CONTRACTUAL ADJUSTMENTS FOR SERVICES REIMBURSED BY THE MEDICARE PROGRAM. AMOUNTS LISTED FOR MEDICARE REVENUES DO NOT INCLUDE PHYSICIAN SERVICES FOR THE COVERAGE OF THE EMERGENCY DEPARTMENT AT THE HOSPITAL AS WELL AS ANESTHESIA PROFESSIONAL SERVICES, SURGEON PROFESSIONAL SERVICES, REVENUES FOR ANY PATIENTS COVERED UNDER MEDICARE ADVANTAGE PLAN PROGRAMS, AND REFERENCE LAB SERVICES FOR PATIENTS OF A NEIGHBORING PHYSICIAN CLINIC. PHYSICIAN PROFESSIONAL SERVICES AND REFERENCE LAB SERVICES ARE REIMBURSED PRIMARILY ON FEE SCHEDULE REIMBURSEMENTS AT RATES THAT ARE OFTEN BELOW THE COSTS OF CARING FOR PATIENTS. EMERGENCY, SURGERY, AND PHYSICIAN SERVICES PROVIDED TO MEDICARE PATIENTS ARE VITAL TO THE WELL-BEING OF THE COMMUNITY AND AS SUCH THESE COSTS AND SHORTFALLS SHOULD ALSO BE CONSIDERED AS AN ADDITIONAL BENEFIT THAT REEDSBURG AREA MEDICAL CENTER PROVIDES TO THE COMMUNITY AND SURROUNDING AREAS. THE COSTING METHOD USED ABOVE FOR IRS 990 COMPLIANCE REPORTING IS ALSO BASED ON THE FILED MEDICARE COST REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2014, AND DOES NOT CONSIDER MEDICARE NON-ALLOWABLE EXPENSES, AS IT IS BASED ON TOTAL HOSPITAL PATIENT SERVICE REVENUES (IGNORING CONTRACTUAL ADJUSTMENTS ON FEE SCHEDULE REIMBURSED ITEMS AND NON-ALLOWABLE MEDICARE EXPENSES AS NOTED ABOVE). WHETHER THERE IS A SHORTFALL OR SURPLUS ON SERVICES PROVIDED TO MEDICARE BENEFICIARIES, THESE PEOPLE, WHO ARE TYPICALLY ELDERLY OR DISABLED MEMBERS OF THE COMMUNITY, ARE AN UNDERSERVED POPULATION WHO EXPERIENCE ISSUES WITH ACCESS TO HEALTHCARE SERVICES. WITHOUT TAX-EXEMPT HOSPITALS PROVIDING MEDICARE PATIENT SERVICES, THE CENTERS FOR MEDICARE AND MEDICAID (CMS) WOULD BEAR THE BURDEN OF DIRECTLY PROVIDING SERVICES TO THE ELDERLY AND DISABLED MEMBERS OF THE COMMUNITY.</p>

Form and Line Reference	Explanation
PART III, LINE 9B	UNDER THE HOSPITAL'S COLLECTION AND CHARITY CARE POLICIES, REEDSBURG AREA MEDICAL CENTER MAKES EVERY ATTEMPT TO IDENTIFY AND PROMOTE CHARITY CARE TO PATIENTS INCLUDED IN THE HOSPITAL'S CHARITY CARE POLICY IT IS NOTED THAT PATIENTS MAY QUALIFY FOR CHARITY CARE EITHER PRIOR TO ADMISSION OR FOLLOWING DISCHARGE DURING THE PATIENT ACCOUNT COLLECTION PROCESS, SELF-PAY PATIENTS ARE ALSO INFORMED OF THE HOSPITAL'S COLLECTION POLICIES AS WELL AS THE CHARITY CARE PROGRAM TO ALLOW PATIENTS THE OPPORTUNITY TO COMPLETE THE APPROPRIATE FORMS AND QUALIFY UNDER THE PROGRAM ONCE A PATIENT MEETS ALL QUALIFICIATIONS FOR FINANCIAL ASSISTANCE, ALL OR PART OF THE ACCOUNT BALANCE IS WRITTEN OFF AS APPROPRIATE THE REMAINING BALANCE, IF ANY, IS THE PATIENT'S RESPONSIBILITY AND COLLECTED FOLLOWING THE HOSPITAL'S STANDARD DEBT COLLECTION POLICY

Form and Line Reference	Explanation
PART VI, LINE 2	EVERY THREE YEARS, REEDSBURG AREA MEDICAL CENTER CONDUCTS A FORMAL COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA), MEASURING AWARENESS, PREFERENCE, IMAGE AND COMMUNITY NEEDS THE HOSPITAL CONDUCTS THE CHNA WITHIN THE PRIMARY SERVICE AREA, WHICH INCLUDES THE CITY OF REEDSBURG AND THE SURROUNDING COMMUNITIES IN ADDITION, THERE IS A FEEDBACK SECTION ON THE HOSPITAL'S WEBSITE, WWW.RAMCHEALTH.ORG, ALLOWING A FORUM FOR WHICH THE PUBLIC CAN PROVIDE SUGGESTIONS AND COMMENTS REEDSBURG AREA MEDICAL CENTER ALSO GATHERS DATA FROM THE SAUK COUNTY HEALTH NEEDS ASSESSMENT THIS INFORMATION HAS BEEN SEGMENTED INTO THE HOSPITAL'S PRIMARY SERVICE AREA IN WORKING WITH A COMMITTEE CONSISTING OF OFFICIALS FROM THE SAUK COUNTY PUBLIC HEALTH DEPARTMENT, REEDSBURG AREA SCHOOL DISTRICT, AND THE CITY OF REEDSBURG (INCLUDING THE CITY'S AMBULANCE, POLICE, AND FIRE DEPARTMENTS), AS WELL AS VARIOUS OTHER COMMUNITY MEMBERS INCLUDING REPRESENTATIVES FROM BUSINESS AND INDUSTRY, THIS INFORMATION HAS BEEN PRIORITIZED AND THE HOSPITAL IS IN THE PROCESS OF BUILDING A TEAM OF PEOPLE WHO WILL HELP SET ACTIONABLE, MEASURABLE GOALS TO BENEFIT THE COMMUNITY

Form and Line Reference	Explanation
PART VI, LINE 3	CHARITY CARE NOTICES ARE POSTED THROUGHOUT THE FACILITY AND APPLICATIONS ARE AVAILABLE THROUGH BUSINESS SERVICES THE PATIENT, PATIENT'S REPRESENTATIVE, OR HOSPITAL REPRESENTATIVE MAY INITIATE INQUIRIES REGARDING ELIGIBILITY OR APPLICATION FOR ASSISTANCE AT ANY TIME THE HOSPITAL, WHEN APPROPRIATE, WILL REVIEW THE PATIENT'S FINANCIAL SITUATION TO SEE IF THEY QUALIFY FOR ANY FORM OF ASSISTANCE A SOCIAL WORKER IS AVAILABLE TO ASSIST IN THIS PROCESS AS WELL, IF NEEDED PATIENT FINANCIAL ADVISORS ARE ALSO NOTIFIED WHEN PATIENTS (INPATIENT OR OUTPATIENT) ARE TREATED WHO DO NOT HAVE ANY INSURANCE THEY DISCUSS WITH THE PATIENT AVAILABLE OPTIONS AND PROVIDE INFORMATION/APPLICATIONS FOR BOTH REEDSBURG AREA MEDICAL CENTER CHARITY CARE PROGRAMS AND COUNTY, STATE, OR FEDERAL ASSISTANCE PROGRAMS AT ANY TIME, PATIENTS MAY INQUIRE WITH HOSPITAL PERSONNEL REGARDING QUESTIONS THEY HAVE ON THEIR ABILITY TO PAY FINANCIAL ADVISORS ARE AVAILABLE TO HELP AS IS A CONSUMER ADVOCATE THE CONSUMER ADVOCATE OFFERS COMPLIMENTARY PATIENT ASSISTANCE SERVICES, INCLUDING, BUT NOT LIMITED TO, MEDICARE, MEDICAID, PRIVATE INSURANCE, INTERPRETATION OF EXPLANATION OF BENEFITS (EOBS), AND DIRECTIONS TO ADDITIONAL CONSUMER RESOURCES

Form and Line Reference	Explanation
PART VI, LINE 4	<p>REEDSBURG AREA MEDICAL CENTER IS LOCATED IN THE CITY OF REEDSBURG, WISCONSIN, IN NORTH CENTRAL SAUK COUNTY THE PRIMARY SERVICE AREA EXTENDS WEST TO CAZENOVIA, EAST TO ROCK SPRINGS, SOUTH TO HILLPOINT AND NORTH FROM WONEWOC TO JUST WEST OF LAKE DELTON THIS GEOGRAPHIC AREA IS LARGELY RURAL AND CROSSES INTO THREE COUNTIES IN ADDITION TO SAUK COUNTY, COMPRISING APPROXIMATELY 77% OF THE HOSPITAL'S DISCHARGED PATIENTS ACCORDING TO THE MOST RECENT U S CENSUS DATA, SAUK COUNTY HAS SEEN POPULATION GROWTH OF 11% FROM 2000 TO 2010, WHILE THE STATE OF WISCONSIN EXPERIENCED GROWTH OF 6% THE CITY OF REEDSBURG GREW AT A RATE OF 18% AND ITS MINORITY POPULACE INCREASED FROM 3% TO 7% OF TOTAL POPULATION FOR THE SAME TIME PERIOD COMPARED TO 8% FOR SAUK COUNTY AND 17% FOR THE STATE OF WISCONSIN 24% OF COUNTY RESIDENTS ARE UNDER THE AGE OF 18 (23% STATE), 15% ARE ABOVE THE AGE OF 65 (14% STATE) AND 46% OF SAUK COUNTY LIVES IN RURAL AREAS (30% STATE) THE MEDIAN HOUSEHOLD INCOME REPORTED FOR SAUK COUNTY IS \$48,874 (\$50,401 STATE) WHILE UNEMPLOYED IS 7 5% (7 5% STATE) 32% OF COUNTY CHILDREN ARE ELIGIBLE FOR FREE SCHOOL LUNCH (33% STATE) WHILE 18% LIVE IN POVERTY (18% STATE) 14% OF COUNTY ADULTS AND 6% OF COUNTY CHILDREN ARE UNINSURED (13% AND 5% RESPECTIVELY FOR WISCONSIN) 9% OF COUNTY RESIDENTS (9% STATE) REPORTED NOT SEEING A DOCTOR FOR THE PRIOR 12 MONTHS DUE TO COST WHILE 26% (25% STATE) HAD NO DENTAL VISIT BASED ON NUMEROUS DEMOGRAPHIC, BEHAVIORAL, HEALTH AND SOCIAL METRICS, SUCH AS THOSE SHOWN HERE, SAUK COUNTY HAS BEEN RANKED AS THE 42ND HEALTHIEST COUNTY OUT OF ALL 72 WISCONSIN COUNTIES BY THE COUNTY HEALTH RANKINGS AND ROADMAPS PROGRAM REEDSBURG AREA MEDICAL CENTER IS THE ONLY HOSPITAL WITHIN OUR PRIMARY SERVICE AREA, TWO ADDITIONAL HOSPITALS ARE LOCATED IN SAUK COUNTY SEVERAL TERTIARY CARE HOSPITALS IN MADISON, WISCONSIN, AND THE SURROUNDING AREA PROVIDE ADDITIONAL SPECIALIZED SERVICES NOT AVAILABLE AT REEDSBURG AREA MEDICAL CENTER</p>

Form and Line Reference	Explanation
PART VI, LINE 5	REEDSBURG AREA MEDICAL CENTER IS ORGANIZED AND OPERATED WITH THE GOAL OF PROMOTING THE HEALTH OF THE COMMUNITY WE SERVE WE SUPPORT THIS MISSION WITH A BOARD COMPRISED OF LOCAL, INDEPENDENT COMMUNITY MEMBERS, A MEDICAL STAFF ORGANIZED IN THE PUBLIC INTEREST AND OPEN TO ALL QUALIFIED PHYSICIANS, AND AN EMERGENCY ROOM AVAILABLE TO ALL, REGARDLESS OF ABILITY TO PAY THE BOARD TAKES A BALANCED APPROACH WHEN IT SETS POLICY AND STRATEGIC DIRECTION FOR THE HOSPITAL, WORKING TO ALIGN COMMUNITY NEEDS WITH BUSINESS AND FINANCIAL CONCERNS THE USE OF SURPLUS FUNDS IS LARGELY DETERMINED BY THE BOARD IN EFFORTS TO MEET THIS GOAL SURPLUS FUNDS ARE USED TO PURCHASE EQUIPMENT AND TO PROVIDE SERVICES THAT WILL MOST EFFECTIVELY MEET THE IDENTIFIED HEALTH NEEDS OF THE COMMUNITY AND ALLOW FOR COMPREHENSIVE CARE CLOSE TO HOME WHILE THERE IS GROWING AGREEMENT IN THE UNITED STATES ABOUT WHAT CONSTITUTES A NON-PROFIT HOSPITAL'S "COMMUNITY BENEFIT," THESE EFFORTS CONTINUE TO BE A WORK IN PROGRESS REEDSBURG AREA MEDICAL CENTER PROVIDES SIGNIFICANT AMOUNTS OF CHARITY CARE AND OTHER COMMUNITY BENEFITS AS DEFINED BY THE IRS AND IN ADDITION, WE BELIEVE THAT IT PROVIDES A CRITICALLY IMPORTANT BENEFIT WHICH IS NOT QUANTIFIED REEDSBURG AREA MEDICAL CENTER, LIKE MOST COMMUNITY HOSPITALS, WAS CREATED AND IS MAINTAINED IN ORDER TO PROVIDE CARE LOCALLY, WHICH WITHOUT THE HOSPITAL, WOULD NOT BE AVAILABLE LOCALLY BEYOND INPATIENT HOSPITALIZATIONS, REEDSBURG AREA MEDICAL CENTER PROVIDES LOCAL ACCESS TO MANY SERVICES INCLUDING BIRTHING CENTER, DIAGNOSTICS, EMERGENCY SERVICES, INFUSION SERVICES, SWING BED SERVICES, SURGICAL SERVICES, LABORATORY SERVICES, OCCUPATIONAL HEALTH, REHABILITATION SERVICES, SPECIALTY MEDICINE, SLEEP CENTER, SPEECH PATHOLOGY, AND WOMENS' SERVICES



Form and Line Reference	Explanation
PART VI, LINE 7, REPORTS FILED WITH STATES	WI



Additional Data

Software ID:  
Software Version:  
EIN: 39-1091432  
Name: REEDSBURG AREA MEDICAL CENTER

990 Schedule H, Supplemental Information

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.	
Form and Line Reference	Explanation
REEDSBURG AREA MEDICAL CENTER	
REEDSBURG AREA MEDICAL CENTER	PART V, SECTION B, LINE 5D THE CHNA WAS ALSO PUBLISHED IN RAMC'S NEWSLETTER AND IS AVAILA BLE ON THE WEBSITE AT HTTP //RAMCHEALTH COM/MEDIA/81214/CHNA-FINAL PDF A COPY OF THE CHN A IS ALSO ATTACHED TO THE FORM 990
REEDSBURG AREA MEDICAL CENTER	PART V, SECTION B, LINE 14G IF A PATIENT DID NOT HAVE INSURANCE AND IT APPEARED THAT THEY WOULD HAVE DIFFICULTY PAYING THE HOSPITAL BILL, THE PATIENT WOULD BE INFORMED OF THE POLI CY AND OFFERED AN APPLICATION
REEDSBURG AREA MEDICAL CENTER	PART V, SECTION B, LINE 20D INDIVIDUALS WITHOUT INSURANCE ARE BILLED AT 85% OF GROSS CHAR GES WITH THE OPTION OF AN ADDITIONAL 10% DISCOUNT TO 75% OF GROSS CHARGES IF THE CLAIM IS PAID WITHIN 30 DAYS CLAIMS EXCEEDING \$30,000 GROSS CHARGES RECEIVE AN ADDITIONAL 10% DISC OUNT, STEPPED UP TO 40% AT \$50,000 GROSS CHARGES, PLUS THE ADDITIONAL 10% IF PAID WITHIN 3 0 DAYS IF THERE ARE INDICATORS THAT A PATIENT MAY NOT BE ABLE TO PAY SOME OR ALL OF THE B ILL, THEY ARE INFORMED OF THE COMMUNITY CARE POLICY OFFERED BY THE HOSPITAL

Schedule I  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Name of the organization  
REEDSBURG AREA MEDICAL CENTER

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

▶ Information about Schedule I (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public  
Inspection

Employer identification number  
39-1091432

Part I General Information on Grants and Assistance

1

Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?

☒ Yes ☐ No

2

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

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) REEDSBURG AREA SENIOR LIFE CENTER 2350 NORTH DEWEY AVENUE REEDSBURG, WI 54959	76-0775289	501(C)(3)	400,000				GENERAL OPERATIONS
(2) REEDSBURG AREA MEDICAL CENTER FOUNDATION 2090 RIDGEVIEW DRIVE REEDSBURG, WI 54959	39-1243616	501(C)(3)	10,000				FREE CLINIC
(3) WISCONSIN MEDICAL SOCIETY FOUNDATION 330 E LAKESIDE STREET MADISON, WI 54715	39-6045649	501(C)(3)	6,000				CONTRIBUTION TO HONORING CHOICES WISCONSIN PROJECT

2

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

3

3

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

0

Part III

Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22.  
Part III can be duplicated if additional space is needed.

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance
(1) TUITION ASSISTANCE	34	74,303			
(2) EDUCATIONAL STIPENDS	21	15,334			

Part IV

Supplemental Information. Provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

Return Reference	Explanation
PART I, LINE 2	GRANTS WERE PROVIDED BY REEDSBURG AREA MEDICAL CENTER (RAMC) TO REEDSBURG AREA SENIOR LIFE CENTER AND REEDSBURG AREA MEDICAL CENTER FOUNDATION. RAMC HAS (AT LEAST MONTHLY) ACCESS TO BOTH OF THESE ORGANIZATION'S FINANCIAL RECORDS AND BOARD MEETING MINUTES, ALLOWING FOR REVIEW OF HOW FUNDS ARE ALLOCATED. RAMC ALSO PROVIDES SCHOLARSHIPS AND TUITION ASSISTANCE TO EMPLOYEES PURSUING HEALTH-CARE RELATED HIGHER EDUCATION. THIS ASSISTANCE IS MADE AVAILABLE TO EMPLOYEES FOR STUDIES WHERE PROFESSIONAL STAFF ARE NEEDED AND THE DEMAND FOR THESE POSITIONS IS GREATER THAN THE SUPPLY AVAILABLE. USUALLY, THE SHORTAGE IS NOT ONLY SEEN LOCALLY, BUT ALSO STATE- AND NATION-WIDE. THE INTENTION IS TO HAVE THESE TRAINED PROFESSIONALS CONTINUE AT RAMC WITHIN THEIR NEW POSITION, ACCOMPLISHING OUR MISSION AND COMMITMENT TO PROVIDING HIGH-QUALITY, LOCAL CARE FOR OUR COMMUNITY. PROOF OF THE COST OF TUITION AND SUCCESSFUL COURSE COMPLETION ARE REQUIRED.

Schedule J  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Compensation Information

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

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23.  
▶ Attach to Form 990. ▶ See separate instructions.

▶ Information about Schedule J (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization  
REEDSBURG AREA MEDICAL CENTER

Employer identification number  
39-1091432

Part I

Questions Regarding Compensation

	Yes	No
<div><div>1a</div><div>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</div><div><div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Discretionary spending account</div></div><div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div></div></div>		
<div><div>b</div><div>If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain</div></div>	1b	
<div><div>2</div><div>Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?</div></div>	2	
<div><div>3</div><div>Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III</div><div><div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input type="checkbox"/> Form 990 of other organizations</div></div><div><div><input checked="" type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div></div></div>		
<div><div>4</div><div>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</div></div>		
<div><div>a</div><div>Receive a severance payment or change-of-control payment?</div></div>	4a	No
<div><div>b</div><div>Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div></div>	4b	No
<div><div>c</div><div>Participate in, or receive payment from, an equity-based compensation arrangement?</div></div> <div>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III</div>	4c	No
<div><div></div><div>Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.</div></div>		
<div><div>5</div><div>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</div></div>		
<div><div>a</div><div>The organization?</div></div>	5a	Yes
<div><div>b</div><div>Any related organization?</div></div> <div>If "Yes," to line 5a or 5b, describe in Part III</div>	5b	No
<div><div>6</div><div>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</div></div>		
<div><div>a</div><div>The organization?</div></div>	6a	No
<div><div>b</div><div>Any related organization?</div></div> <div>If "Yes," to line 6a or 6b, describe in Part III</div>	6b	No
<div><div>7</div><div>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</div></div>	7	No
<div><div>8</div><div>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 Regulations section 53 4958-4(a)(3)? If "Yes," describe in Part III</div></div>	8	No
<div><div>9</div><div>If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?</div></div>	9	

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

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

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1)JOSEPH SVETLIK VP FINANCE (THRU 1/2014)	(i) (ii)	151,244 0	14,428 0	0 0	18,342 0	20,043 0	204,057 0	0 0
(2)BOB VAN MEETEREN PRESIDENT/CEO	(i) (ii)	193,822 0	31,673 0	2,105 0	35,828 0	21,524 0	284,952 0	0 0
(3)DEAN FOCHIOS ORTHOPEDIC SURGEON	(i) (ii)	496,466 0	0 0	0 0	962 0	21,375 0	518,803 0	0 0
(4)KEVIN HIBBETT GENERAL SURGEON	(i) (ii)	348,521 0	0 0	0 0	3,231 0	11,274 0	363,026 0	0 0
(5)CHRISTOPHER BJORKLUND CRNA	(i) (ii)	269,593 0	225 0	0 0	12,750 0	21,948 0	304,516 0	0 0
(6)GERRY CHRABASZCZ ORTHOPEDIC SURGEON	(i) (ii)	269,973 0	270 0	0 0	12,750 0	20,943 0	303,936 0	0 0
(7)KENNETH OLSON CRNA/DIRECTOR OF ANESTHESIA	(i) (ii)	270,142 0	285 0	0 0	12,750 0	20,238 0	303,415 0	0 0

Part IIISupplemental Information

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

Return Reference	Explanation
PART I, LINE 5	CERTAIN PHYSICIANS ARE ELIGIBLE AND RECEIVE PAYMENT BASED ON CHARGES GENERATED FROM HEALTH CARE SERVICES PROVIDED BY EACH PHYSICIAN



Schedule K  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.  
▶ Attach to Form 990. ▶ See separate instructions.  
▶ Information about Schedule K (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization  
REEDSBURG AREA MEDICAL CENTER

Employer identification number  
39-1091432

Part I

Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	CITY OF REEDSBURG	39-6005582		06-03-2003	2,600,000	REFUND PRIOR ISSUE		X		X		X
B	WISCONSIN HEALTH & EDUCATIONAL FACILITIES	39-1337855	97710VH43	06-28-2006	11,865,000	CONSTRUCT & EQUIP FACILITY & REFUND PRIOR ISSUE		X		X		X
C	WISCONSIN HEALTH & EDUCATIONAL FACILITIES	39-1337855	97710B XK3	09-16-2010	5,800,000	REFUND PRIOR ISSUE		X		X		X
D	WISCONSIN HEALTH & EDUCATIONAL FACILITIES	39-1337855	97710B XP2	02-19-2014	4,273,300	REFUND PRIOR ISSUE		X		X		X

Part II

Proceeds

		A		B		C		D	
1	Amount of bonds retired	1,505,262		3,605,000		570,000		87,288	
2	Amount of bonds legally defeased								
3	Total proceeds of issue	2,600,000		11,865,000		5,800,000		4,273,300	
4	Gross proceeds in reserve funds			1,183,280		580,000			
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrows	2,600,000		3,522,124		5,104,000			
7	Issuance costs from proceeds			237,300		116,000			
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds			6,922,296					
11	Other spent proceeds							4,273,300	
12	Other unspent proceeds								
13	Year of substantial completion								
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X		X		X		X	
15	Were the bonds issued as part of an advance refunding issue?		X		X		X		X
16	Has the final allocation of proceeds been made?	X		X		X		X	
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X		X	

Part III

Private Business Use

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

Part III

Private Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		X		X		X		X
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		X
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government	0 %		0 %		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 %		0 %		0 %	
6	Total of lines 4 and 5	0 %		0 %		0 %		0 %	
7	Does the bond issue meet the private security or payment test?		X		X		X		X
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X		X		X
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?		X		X		X	X	

Part IV

Arbitrage

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

Part IV

Arbitrage (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?		X		X		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?								
6	Were any gross proceeds invested beyond an available temporary period?		X		X		X		X
7	Has the organization established written procedures to monitor the requirements of section 148?		X		X		X		X

Part V

Procedures To Undertake Corrective Action

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

Part VI

Supplemental Information. Provide additional information for responses to questions on Schedule K (see instructions).

Return Reference	Explanation
DATE REBATE COMPUTATION PERFORMED	ISSUER NAME WISCONSIN HEALTH & EDUCATIONAL FACILITIES DATE THE REBATE COMPUTATION WAS PERFORMED 06/28/2011

Return Reference	Explanation
SCHEDULE K, PART III, LINE 4	THE CONSTRUCTION OF THE PROPERTY FINANCED BY 2006A REVENUE BONDS (B) INCLUDE SOME PORTIONS USED IN PRIVATE BUSINESS USED BY ENTITIES OTHER THAN A SECTION 501(C)(3) ORGANIZATION OR STATE OR LOCAL GOVERNMENT THE PORTION OF THE BUILDING USED BY THESE ENTITIES WAS FINANCED DIRECTLY BY RAMC THROUGH CASH PAYMENTS TOTALING \$4,913,708

Schedule L  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Transactions with Interested Persons  
▶ Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.  
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.  
▶ Information about Schedule L (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047  
**2013**  
Open to Public Inspection

Name of the organization  
REEDSBURG AREA MEDICAL CENTER

Employer identification number  
39-1091432

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?	(i) Written agreement?	
			To	From			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 assistance	(d) Type of assistance	(e) Purpose of assistance

**Part IV Business Transactions Involving Interested Persons.**

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) CONNIE MOLBERG	FAMILY MEMBER OF DIRECTOR	46,892	EMPLOYMENT COMPENSATION		No
(2) REEDSBURG PHYSICIAN GROUP (RPG)	TWO RAMC DIRECTORS ARE ALSO RPG PARTNERS	3,795,505	PHYSICIAN COMPENSATION		No
(3) LINDSEY MUCHOW	FAMILY MEMBER OF DIRECTOR	57,362	EMPLOYMENT COMPENSATION		No
(4) MOY BORCHERT ERBS & ASSOC	FORMER DIRECTOR/CURRENT CFO IS ALSO PART OWNER	31,160	ACCOUNTING		No

**Part V Supplemental Information**

Provide additional information for responses to questions on Schedule L (see instructions)

Return Reference	Explanation
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SCHEDULE O  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.  
▶ Attach to Form 990 or 990-EZ.  
▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization  
REEDSBURG AREA MEDICAL CENTER

Employer identification number  
39-1091432

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART III, LINE 2	
FORM 990, PART VI, SECTION B, LINE 11	UPON COMPLETION OF THE FORM 990, MANAGEMENT REVIEWS FOR ACCURACY AND COMPLETENESS UPON APPROVAL, THE FORM 990 IS PRESENTED TO THE BOARD OF DIRECTORS FOR FINAL APPROVAL PRIOR TO SUBMISSION
FORM 990, PART VI, SECTION B, LINE 12C	BOARD MEMBERS ANNUALLY DISCLOSE ANY POSSIBLE CONFLICTS OF INTEREST WHEN THEY SIGN THE CONFLICT OF INTEREST POLICIES BOARD MEMBERS ROUTINELY ABSTAIN FROM VOTING ON ANY MATTERS AND EXCUSE THEMSELVES FROM DECISIONS ON MATTERS WITH WHICH THEY HAVE A CONFLICT OF INTEREST
FORM 990, PART VI, SECTION B, LINE 15	INDEPENDENT WAGE AND SALARY SURVEYS ARE USED FOR ALL KEY EMPLOYEES, INCLUDING PRESIDENT/CEO VENDORS USED ARE THE RURAL WISCONSIN HEALTH COOPERATIVE AND WISCONSIN HOSPITAL ASSOCIATION
FORM 990, PART VI, SECTION C, LINE 19	REEDSBURG AREA MEDICAL CENTER'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS ARE REVIEWED AT THE HOSPITAL'S ANNUAL MEETING, WHICH IS OPEN TO THE GENERAL PUBLIC SUMMARIZED FINANCIAL STATEMENT DATA IS ALSO AVAILABLE THROUGH THE WISCONSIN HOSPITAL ASSOCIATION'S WEBSITE
FORM 990, PART IX, LINE 11G	EMERGENCY ROOM PURCHASED SERVICES PROGRAM SERVICE EXPENSES 1,594,495 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 1,594,495 MOB PURCHASED SERVICES PROGRAM SERVICE EXPENSES 1,483,996 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 1,483,996 PHARMACY PURCHASED SERVICES PROGRAM SERVICE EXPENSES 184,388 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 184,388 LAB/RADIOLOGY PURCHASED SERVICES PROGRAM SERVICE EXPENSES 1,571,306 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 1,571,306 OTHER PURCHASED SERVICES PROGRAM SERVICE EXPENSES 3,216,314 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 3,216,314 ADMINISTRATIVE PURCHASED SERVICES PROGRAM SERVICE EXPENSES 0 MANAGEMENT AND GENERAL EXPENSES 790,606 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 790,606
FORM 990, PART XI, LINE 9	NET CHANGE IN INTEREST IN NET ASSETS OF FOUNDATION 174,826 DISTRIBUTION FROM SPONSORED ORGANIZATION 75,000
FORM 990, PART XII, LINE 2C	SELECTION OF AN INDEPENDENT ACCOUNTANT THE HOSPITAL HAS A COMMITTEE THAT ASSUMES RESPONSIBILITY FOR THE AUDIT OF ITS FINANCIAL STATEMENTS AND THE BOARD OF DIRECTORS TAKES TIME TO MEET WITH INDEPENDENT ACCOUNTANT FOLLOWING THE AUDIT EACH YEAR TO REVIEW THE FINANCIAL STATEMENTS AND ITEMS NOTED DURING THE AUDIT WITHOUT MANAGEMENT PRESENT TO ALLOW EVEN MORE OVERSIGHT BY THE BOARD INTO THE ANNUAL AUDIT PROCESS MEMBERS OF THE BOARD OF DIRECTORS ALSO HAVE THE CONTACT INFORMATION OF THE INDEPENDENT ACCOUNTANT AND ARE ENCOURAGED TO CONTACT THE ACCOUNTANT DURING THE YEAR WHEN QUESTIONS ARISE THERE HAS BEEN NO CHANGE TO THESE PROCEDURES DURING THE PAST YEAR

SCHEDULE R  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.  
▶ Attach to Form 990. ▶ See separate instructions.  
▶ Information about Schedule R (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization  
REEDSBURG AREA MEDICAL CENTER

Employer identification number  
39-1091432

Part I Identification of Disregarded Entities

Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

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

Part II Identification of Related Tax-Exempt Organizations

Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) REEDSBURG AREA MEDICAL CENTER FOUNDATION INC  2090 RIDGEVIEW DRIVE  REEDSBURG, WI 53959 39-1243616	FUNDRAISING	WI	501(C)(3)	LINE 7	REEDSBURG AREA MEDICAL CENTER	Yes	
(2) PARTNERS OF REEDSBURG AREA MEDICAL CENTER  2000 NORTH DEWEY AVENUE  REEDSBURG, WI 53959 23-7373902	FUNDRAISING	WI	501(C)(3)	LINE 7	REEDSBURG AREA MEDICAL CENTER	Yes	



Part III

Identification of Related Organizations Taxable as a Partnership

Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

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

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust

Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end- of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No

Part V

Transactions With Related Organizations

Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

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

1

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

a

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

b

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

c

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

d

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

e

Loans or loan guarantees by related organization(s)

f

Dividends from related organization(s)

g

Sale of assets to related organization(s)

h

Purchase of assets from related organization(s)

i

Exchange of assets with related organization(s)

j

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

k

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

l

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

m

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

n

Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)

o

Sharing of paid employees with related organization(s)

p

Reimbursement paid to related organization(s) for expenses

q

Reimbursement paid by related organization(s) for expenses

r

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

s

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

Yes

No

1a

No

1b

Yes

1c

Yes

1d

No

1e

No

1f

No

1g

No

1h

No

1i

No

1j

No

1k

No

1l

Yes

1m

Yes

1n

No

1o

Yes

1p

No

1q

Yes

1r

No

1s

No

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

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

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

[illegible]

Part VII

Supplemental Information

Provide additional information for responses to questions on Schedule R (see instructions)

Return Reference	Explanation
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**Reedsburg Area Medical Center, Inc. and  
Reedsburg Area Life Center, LLC and Affiliates**

Reedsburg, Wisconsin

**Combined Financial Statements and  
Supplementary Information**

Years Ended September 30, 2014 and 2013

# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

Combined Financial Statements and Supplementary Information  
Years Ended September 30, 2014 and 2013

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## Table of Contents

Independent Auditor’s Report .....	1
Combined Financial Statements	
Combined Balance Sheets .....	3
Combined Statements of Operations and Changes in Net Assets .....	4
Combined Statements of Cash Flows.....	6
Notes to Combined Financial Statements .....	8
Supplementary Information – Obligated Group Combining Financial Statements	
Combining Balance Sheets.....	44
Combining Statements of Operations and Changes in Net Assets .....	48
Supplementary Information – Combining Financial Statements	
Combining Balance Sheets.....	52
Combining Statement of Operations and Changes in Net Assets.....	56



## **Independent Auditor's Report**

Boards of Directors  
Reedsburg Area Medical Center, Inc. and  
Reedsburg Area Life Center, LLC and Affiliates  
Reedsburg, Wisconsin

We have audited the accompanying combined financial statements of Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates, which comprise the combined balance sheets as of September 30, 2014 and 2013, and the related combined statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the combined financial statements.

### **Management's Responsibility for the Combined Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

## Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates at September 30, 2014 and 2013, and the results of their operations, changes in their net assets, and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

## Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the basic combined financial statements taken as a whole. The supplementary information on pages 44 through 59 is presented for purposes of additional analysis and is not a required part of the combined financial statements of Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. Such information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the combined financial statements as a whole.

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP

December 12, 2014  
Eau Claire, Wisconsin



# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Combined Balance Sheets

September 30, 2014 and 2013

<i>Assets</i>	2014	2013
Current assets		
Cash and cash equivalents	\$ 6,127,930	\$ 6,656,436
Assets limited as to use	589,364	565,890
Short-term investments	15,510,573	12,166,524
Patient and resident accounts receivable - Net	10,425,268	7,286,957
Inventories	1,542,039	1,531,572
Amounts receivable from third-party reimbursement programs	106,091	595,454
Other current assets	801,587	741,905
Total current assets	35,102,852	29,544,738
Investments	4,048,216	2,951,208
Assets limited as to use - Net of amounts required to meet current obligations	4,441,749	4,288,133
Property and equipment - Net	42,620,514	43,758,468
Other assets		
Interest in net assets of supporting organizations	2,452,665	2,205,103
Note receivable	95,303	96,946
Debt issuance costs	294,239	483,623
Deferred compensation plan assets	1,177,521	1,117,136
Goodwill	242,000	-
Other	-	286,504
Total other assets	4,261,728	4,189,312
<b>TOTAL ASSETS</b>	<b>\$ 90,475,059</b>	<b>\$ 84,731,859</b>

<i>Liabilities and Net Assets</i>	2014	2013
Current liabilities		
Current portion of long-term debt and capital lease obligations	\$ 1,553,421	\$ 1,298,486
Accounts payable - Trade	2,245,871	1,623,950
Accrued payroll and payroll taxes	1,858,968	1,177,341
Accrued vacation	2,533,342	2,206,225
Accrued medical claims payable	800,000	527,720
Accrued interest	284,406	267,955
Other current liabilities	165,939	339,816
Total current liabilities	9,441,947	7,441,493
Long-term liabilities		
Deferred compensation	1,215,564	1,179,356
Resident deposits	8,386,185	8,022,454
Long-term debt and capital lease obligations - Less current portion	28,240,414	29,865,207
Total long-term liabilities	37,842,163	39,067,017
Total liabilities	47,284,110	46,508,510
Net assets:		
Unrestricted	40,735,267	36,015,229
Temporarily restricted	2,455,682	2,208,120
Total net assets	43,190,949	38,223,349
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 90,475,059</b>	<b>\$ 84,731,859</b>

# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Combined Statements of Operations and Changes in Net Assets

Years Ended September 30, 2014 and 2013

	2014	2013
Unrestricted net assets		
Revenue		
Patient and resident service revenue - Net of contractual adjustments and discounts	\$ 62,241,554	\$ 51,074,211
Provision for bad debts	(855,849)	(1,384,499)
Net patient and resident service revenue - Less provision for bad debts	61,385,705	49,689,712
Other revenue	2,051,252	1,789,655
Total revenue	63,436,957	51,479,367
Expenses		
Salaries and wages	24,348,903	21,697,313
Employee benefits	8,349,473	7,312,954
Other expenses	22,412,878	16,771,060
Interest	1,271,514	1,202,944
Depreciation and amortization	3,404,828	3,291,332
Total expenses	59,787,596	50,275,603
Income from operations	3,649,361	1,203,764
Other income (expense)		
Distribution from sponsored organization	75,000	-
Investment income	996,652	1,180,852
Loss on disposal of equipment	(6,345)	(10,180)
Loss on advance refunding	(236,288)	-
Other	-	(77,419)
Excess of revenue over expenses	4,478,380	2,297,017
Net assets released from restriction used for property and equipment	33,993	3,177
Net change in unrealized gains and losses on investments other than trading securities	207,665	(291,444)
Increase in unrestricted net assets forwarded	4,720,038	2,008,750

# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Combined Statements of Operations and Changes in Net Assets (Continued)

Years Ended September 30, 2014 and 2013

	2014	2013
Increase in unrestricted net assets brought forward	\$ 4,720,038	\$ 2,008,750
Temporarily restricted net assets		
Change in interest in net assets of supporting organizations	281,555	303,999
Net assets released from restrictions for property and equipment	(33,993)	(3,177)
Increase in temporarily restricted net assets	247,562	300,822
Increase in net assets	4,967,600	2,309,572
Net assets at beginning	38,223,349	35,913,777
Net assets at end	\$ 43,190,949	\$ 38,223,349

# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Combined Statements of Cash Flows

Years Ended September 30, 2014 and 2013

	2014	2013
Increase (decrease) in cash and cash equivalents		
Cash flows from operating activities		
Increase in net assets	\$ 4,967,600	\$ 2,309,572
Adjustments to reconcile increase in net assets to net cash provided by operating activities.		
Depreciation	3,363,822	3,245,341
Amortization of debt issuance costs	41,006	45,991
Loss on disposal of equipment	6,345	10,180
Loss on advance refunding	236,288	-
Change in interest in net assets of supporting organizations	(281,555)	(303,999)
Net change in realized and unrealized gains and losses on investments	(876,254)	(632,638)
Distribution from sponsored organization	(75,000)	-
Provision for bad debts	855,849	1,384,499
Deferred compensation - Net	34,230	(11,623)
Amortization of resident deposits	(242,377)	(249,398)
Changes in operating assets and liabilities		
Patient and resident accounts receivable	(3,994,160)	(1,272,286)
Inventories	(10,467)	(16,428)
Amounts receivable from third-party reimbursement programs	489,363	(934,854)
Other current assets	(59,682)	(319,394)
Accounts payable - Trade	621,921	28,636
Accrued payroll and payroll taxes	681,627	(18,955)
Accrued vacation	327,117	45,570
Accrued medical claims payable	272,280	132,820
Accrued interest	16,451	(35,724)
Other current liabilities	(173,877)	297,949
Total adjustments	1,232,927	1,395,687
Net cash provided by operating activities	6,200,527	3,705,259

# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Combined Statements of Cash Flows (Continued)

Years Ended September 30, 2014 and 2013

	2014	2013
Increase in cash and cash equivalents (Continued)		
Cash flows from investing activities		
Purchase of property and equipment	\$ (2,006,549)	\$ (1,549,841)
Proceeds from sale of property and equipment	2,480	7,434
Change in investments and assets limited as to use	(3,741,893)	(1,443,863)
Distribution of interest in net assets of supporting organizations	33,993	3,177
Distribution from sponsored organization	75,000	-
Purchase of goodwill	(242,000)	-
Payments received on note receivable	1,643	1,565
Increase (decrease) in other assets	58,360	(10,196)
Net cash used in investing activities	(5,818,966)	(2,991,724)
Cash flows from financing activities		
Receipt of resident deposits	1,080,520	1,322,053
Refund of resident deposits	(474,412)	(881,201)
Proceeds from issuance of long-term debt	15,408,810	-
Advance refunding of Series 2010B bonds	(15,000,000)	-
Payments for debt issuance costs	(87,910)	-
Payments on long-term debt and capital lease obligations	(1,778,668)	(1,114,722)
Distributions of deferred compensation	(58,407)	(16,085)
Net cash used in financing activities	(910,067)	(689,955)
Net increase (decrease) in cash and cash equivalents	(528,506)	23,580
Cash and cash equivalents at beginning	6,656,436	6,632,856
Cash and cash equivalents at end	\$ 6,127,930	\$ 6,656,436
<b>Supplemental disclosures of cash flow information:</b>		
Cash payments for interest	\$ 1,255,063	\$ 1,238,668
<b>Supplemental noncash investing activities information:</b>		
Cancellation of capital lease receivable and conversion of asset to property and equipment utilized in operations	228,144	-

See accompanying notes to combined financial statements.

# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Notes to Combined Financial Statements

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### Note 1      Summary of Significant Accounting Policies

#### The Entity

Reedsburg Area Medical Center, Inc. (the "Hospital") is a non-stock, not-for-profit Wisconsin corporation. The Hospital provides comprehensive inpatient and outpatient medical services. Effective January 1, 2014, the Hospital integrated a physician clinic and is operating the clinic as a provider-based department of the Hospital.

Reedsburg Area Life Center, LLC is a non-stock, not-for-profit Wisconsin corporation that operates three subsidiary corporations whose purposes are to provide senior residential care services to the residents of Reedsburg, Wisconsin, and the surrounding areas. Reedsburg Area Life Center, LLC has no assets or liabilities as of September 30, 2014 and 2013, and is the sole corporate member of the following corporations:

- Reedsburg Area Senior Life Center, Inc. (the "Senior Life Center"), a non-stock, not-for-profit Wisconsin corporation, operates a skilled nursing and assisted living facility. The Senior Life Center provides skilled and intermediate nursing care for aged and disabled residents.
- Ridgeview Heights Independent Living Corporation ("RH"), a non-stock, not-for-profit Wisconsin corporation, provides affordable housing for senior citizens and is licensed as a continuing care retirement community. RH provides nurse triage services, ten days per calendar year occupancy in the swing bed program of the Hospital, as well as security and general maintenance services for the residents.
- Ridgeview Heights Independent Living Corporation II ("RH II"), a non-stock, not-for-profit Wisconsin corporation, provides affordable housing for senior citizens and is licensed as a continuing care retirement community. RH II provides nurse triage services, ten days per calendar year occupancy in the swing bed program of the Hospital, as well as security and general maintenance services for the residents.

All of the entities listed above are collectively referred to as the "Corporations."

#### Principles of Combination

The accompanying combined financial statements include the accounts of the Hospital, Senior Life Center, RH, and RH II. All material intercompany accounts and transactions have been eliminated in the combined financial statements.

# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Notes to Combined Financial Statements

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### Note 1      **Summary of Significant Accounting Policies** (Continued)

#### **Financial Statement Presentation**

The Corporations follow accounting standards contained in the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The ASC is the single source of authoritative accounting principles generally accepted in the United States (GAAP) to be applied to nongovernmental entities in the preparation of financial statements in conformity with GAAP.

#### **Use of Estimates**

The preparation of the accompanying combined financial statements in conformity with GAAP requires management to make estimates and assumptions that directly affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

#### **Cash Equivalents**

The Corporations consider all highly liquid instruments with an original maturity of three months or less to be cash equivalents, excluding assets limited to use or restricted and assets held as short-term investment.

#### **Patient and Resident Accounts Receivable and Credit Policy**

Patient and resident accounts receivable are uncollateralized patient and resident obligations that are stated at the amount management expects to collect from outstanding balances. These obligations are primarily from local patients and residents, most of whom are insured under third-party payor agreements. The Corporations bill third-party payors on the patients' or residents' behalf, or if a patient or resident is uninsured, the patient or resident is billed directly. Once claims are settled with the primary payor, any secondary payor is billed, and patients or residents are billed for co-pay and deductible amounts that are the patients' or residents' responsibility. Payments on patient and resident accounts receivable are applied to the specific claim identified on the remittance advice or statement. The Corporations do not have a policy to charge interest on past due accounts.



# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Notes to Combined Financial Statements

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### Note 1      **Summary of Significant Accounting Policies** (Continued)

#### **Patient and Resident Accounts Receivable and Credit Policy** (Continued)

Patient and resident accounts receivable are recorded in the accompanying combined balance sheets net of contractual adjustments and an allowance for doubtful accounts, which reflect management's estimate of the amounts that will not be collected. Management provides for contractual adjustments under terms of third-party reimbursement agreements through a reduction of gross patient and resident service revenue and a credit to patient and resident accounts receivable. In addition, management provides for probable doubtful amounts, primarily from uninsured patients and residents and amounts patients and residents are personally responsible for, through a charge to operations and a credit to an allowance for doubtful accounts based on its assessment of historical collection likelihood and the current status of individual accounts.

In evaluating the collectability of patient and resident accounts receivable, the Corporations analyze past results and identify trends for each of their major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. Specifically, for receivables associated with services provided to patients and residents who have third-party coverage, the Corporations analyze contractually due amounts and provide an allowance for doubtful accounts and a provision for bad debts for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors, patients, and residents who are known to be having financial difficulties that make the realization of amounts due unlikely. For receivables associated with self-pay patients and residents (which includes both patients and residents without insurance and patients and residents with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Corporations record a significant provision for bad debts in the period of service on the basis of their past experience, which indicates that many patients and residents are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Notes to Combined Financial Statements

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### Note 1      **Summary of Significant Accounting Policies** (Continued)

#### **Inventories**

Inventories are valued at the lower of cost, determined on the first-in, first-out (FIFO) method, or market.

#### **Investments, Assets Limited as to Use, and Investment Income**

Assets limited as to use include assets designated by the Boards of Directors for future capital improvements, over which the Boards of Directors retain control and may at their discretion subsequently use for other purposes, and assets set aside under terms of bond trust indenture agreements. Amounts required to meet current liabilities of the Corporations have been classified as current assets.

Investments and assets limited as to use are measured at fair value in the accompanying combined financial statements.

Investment income or loss (including realized gain and loss on investments, interest, and dividends) is reported as other income (expense) and is included in excess of revenue over expenses (operating indicator) unless the income is restricted by donor or law. Unrealized gains and losses on investments are excluded from the operating indicator unless the investments are trading securities or are restricted by donor or law. Realized gains or losses are determined by specific identification.

The Corporations monitor the difference between the cost and fair value of their investments. If investments experience a decline in value that the Corporations determine is other than temporary, the Corporations record a realized loss in investment income.

# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Notes to Combined Financial Statements

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### Note 1      Summary of Significant Accounting Policies (Continued)

#### Fair Value Measurements

The Corporations measure fair value of their financial instruments using a three-tier hierarchy, which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows

- Level 1      Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Corporations have the ability to access.
- Level 2      Inputs to the valuation methodology include.
- Quoted prices for similar assets or liabilities in active markets.
  - Quoted prices for identical or similar assets or liabilities in inactive markets.
  - Inputs, other than quoted prices, that are observable for the asset or liability.
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3      Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Notes to Combined Financial Statements

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### Note 1      **Summary of Significant Accounting Policies** (Continued)

#### **Property, Equipment, and Depreciation**

Property and equipment acquisitions are recorded at cost or, if donated, at fair value at the date of donation. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. Estimated useful lives range from three to twenty years for furniture and equipment and from ten to forty years for land improvements and buildings. Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the accompanying combined financial statements.

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

#### **Impairment of Long-Lived Assets**

The Corporations periodically evaluate the recoverability of their long-lived assets, which consist primarily of property and equipment with estimated useful lives, whenever events or changes in circumstance indicate that the carrying value may not be recoverable. If the recoverability of these assets is unlikely because of the existence of factors indicating impairment, an impairment analysis is performed using a projected undiscounted cash flow method. Management must make assumptions regarding estimated future cash flows and other factors to determine the fair value of these respective assets. If the carrying amounts of the assets exceed their respective fair values, the carrying value of the underlying assets would be adjusted to fair value and an impairment loss would be recognized. No impairment loss was recognized in 2014 or 2013.

# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Notes to Combined Financial Statements

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### Note 1      **Summary of Significant Accounting Policies** (Continued)

#### **Asset Retirement Obligation**

The Corporations account for the fair value of legal obligations associated with long-lived asset retirements in accordance with the asset retirement and environmental obligations accounting guidance. Management has considered this accounting guidance, specifically as it relates to its legal obligation to perform asset retirement activities, such as asbestos removal, on its existing properties. Management of the Corporations believes that any potential liability related to asset retirement obligations would not be significant. As a result, no liability related to these retirement activities has been recognized as of September 30, 2014 and 2013.

#### **Interest in Net Assets of Supporting Organizations**

The interest in net assets of supporting organizations represents the Corporations' interest in the net assets of the Reedsburg Area Medical Center Foundation, Ltd. (the "Foundation") and the Partners of Reedsburg Area Medical Center (the "Partners"). Accordingly, the Corporations recognize their interest in the net assets of the supporting organizations and adjust that interest for their share of the change in the net assets of the supporting organizations.

#### **Goodwill**

Goodwill for the Hospital of \$242,000 relates to the purchase of the operations of a physician clinic during 2014. The goodwill is for future benefits expected to be received by the Hospital from operating the clinic. Goodwill is deemed to have an indefinite useful life and is reviewed annually for impairment. No impairment was noted at September 30, 2014.

#### **Resident Deposits**

Residents entering the independent living residences pay an entrance fee and monthly service fees. Monthly service fees are recorded as revenue when earned. Deposits are recorded as deferred revenue and amortized to revenue using the straight-line method over future periods based on the estimated life of the resident if nonrefundable, or the useful life of the facilities if refundable.

# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Notes to Combined Financial Statements

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### Note 1      **Summary of Significant Accounting Policies** (Continued)

#### **Net Assets**

The Corporations classify their net assets into three categories.

- Unrestricted net assets consist of investments and otherwise unrestricted amounts that are available for use in carrying out the mission of the Corporations and include those expendable resources designated for special use by the Corporations' Boards of Directors.
- Temporarily restricted net assets result from contributions and other inflows whose use by the Corporations is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled and removed by actions of the Corporations pursuant to those stipulations. As of September 30, 2014 and 2013, the majority of all temporarily restricted net assets are funds held by the supporting organizations.
- Permanently restricted net assets result from contributions from donors who place restrictions on the use of the funds and mandate that the original principal be invested in perpetuity. As of September 30, 2014 and 2013, there were no permanently restricted net assets.

#### **Excess of Revenue Over Expenses**

The accompanying combined statements of operations and changes in net assets include the classification excess of revenue over expenses, which is considered the operating indicator. Changes in unrestricted net assets, which are excluded from the operating indicator, include unrealized gains and losses on investments other than trading securities, and contributions of long-lived assets including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets.

# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Notes to Combined Financial Statements

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### Note 1      **Summary of Significant Accounting Policies** (Continued)

#### **Patient and Resident Service Revenue – Net of Contractual Adjustments and Discounts**

The Corporations recognize patient and resident service revenue associated with services provided to patients and residents who have third-party payor coverage on the basis of contractual rates for the services rendered. Certain third-party payor reimbursement agreements are subject to audit and retrospective adjustments. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

For uninsured patients that do not qualify for charity care, the Corporations recognize revenue on the basis of their standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy). On the basis of historical experience, a significant portion of the Corporations' uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Corporations record a significant provision for bad debts related to uninsured patients in the period the services are provided.

#### **Charity Care (Community Care)**

The Corporations provide care to patients who meet certain criteria under their community care policy without charge or at amounts less than their established rates. Eligible patients are identified based on analysis of financial information obtained from the patient. The Corporations maintain records to identify the amount of charges forgone for services and supplies furnished under the community care policy. Because the Corporations do not pursue collection of amounts determined to qualify as community care, they are not reported in net patient and resident service revenue, less provision for bad debts, in the accompanying combined statements of operations and changes in net assets.

# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Notes to Combined Financial Statements

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### Note 1      **Summary of Significant Accounting Policies** (Continued)

#### **Electronic Health Record Incentive Funding**

The American Recovery and Reinvestment Act of 2009 ("ARRA") provides for incentive payments under the Medicare and Medicaid programs for certain hospitals and physician practices that demonstrate meaningful use of certified electronic health record ("EHR") technology. These provisions of ARRA, collectively referred to as the Health Information Technology for Economic and Clinical Health Act (the "HITECH Act"), are intended to promote the adoption and meaningful use of health information technology and qualified EHR technology.

The Corporations recognize revenue for EHR incentive payments when there is reasonable assurance that the Corporations will meet the conditions of the program, primarily demonstrating meaningful use of certified EHR technology for the applicable period. The demonstration of meaningful use is based on meeting a series of objectives. Meeting the series of objectives in order to demonstrate meaningful use becomes progressively more stringent as its implementation is phased in through stages as outlined by the Centers for Medicare and Medicaid Services (CMS).

Amounts recognized under the EHR incentive programs are based on qualifying costs expended for EHR technology and are subject to audit by fiscal intermediaries, accordingly, amounts recognized are subject to change. In addition, the Corporations' attestation of their compliance with the meaningful use criteria is subject to audit by the federal government or its designee.



# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Notes to Combined Financial Statements

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### Note 1      **Summary of Significant Accounting Policies** (Continued)

#### **Contributions and Donor-Restricted Gifts**

Contributions are considered available for unrestricted use unless specifically restricted by the donor. Unconditional promises to give cash and other assets to the Corporations are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the combined statements of operations and changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying combined financial statements.

#### **Debt Issuance Costs**

Debt issuance costs are deferred and amortized over the term of the related debt.

#### **Unemployment Compensation**

The Corporations have elected reimbursement financing under provisions of the Wisconsin unemployment compensation laws. Unemployment claims are paid to the State of Wisconsin as incurred. The Corporations have obtained a letter of credit to meet state funding requirements.

#### **Advertising Costs**

Advertising costs are expensed as incurred.

# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Notes to Combined Financial Statements

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### Note 1      **Summary of Significant Accounting Policies** (Continued)

#### **Income Taxes**

The Corporations are nonprofit corporations as described in Section 501(c)(3) of the Internal Revenue Code (the "Code") and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. The Corporations are also exempt from state income taxes on related income.

In order to account for any uncertain tax positions, the Corporations assess whether it is more likely than not that a tax position will be sustained upon examination of the technical merits of the position, assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more likely than not recognition threshold, the benefit of the tax position is not recognized in the combined financial statements. The Corporations recorded no assets or liabilities for uncertain tax positions or unrecognized benefits in 2014 and 2013.

Federal returns for the fiscal years ended September 30, 2011, and beyond remain subject to examination by the Internal Revenue Service.

#### **Real Estate Taxes**

The majority of real estate owned by the Corporations is exempt from real estate taxes by the State of Wisconsin and its political subdivisions.

#### **Subsequent Event**

Subsequent events have been evaluated through December 12, 2014, which is the date the combined financial statements were issued. See Note 21 for subsequent event disclosure.

# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Notes to Combined Financial Statements

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### Note 2      Reimbursement Arrangements With Third-Party Payors

The Corporations have agreements with third-party payors that provide for reimbursement at amounts that vary from their established rates. A summary of the basis of reimbursement with major third-party payors follows.

#### Hospital

*Medicare* - The Hospital is designated as a Critical Access Hospital (CAH) with reimbursement based upon cost for inpatient and outpatient services with the exception of certain lab and mammography services, which are reimbursed based on fee schedules. Professional services provided by physicians and other clinicians to patients in the hospital or clinic are reimbursed based upon prospectively determined fee schedules.

*Medicaid* - As a CAH, the Hospital's reimbursement is based upon a cost-based rate setting methodology for inpatient and outpatient services with the exception of certain lab and therapy services, which are reimbursed based on fee schedules. Professional services provided by physicians and other clinicians to patients in the hospital or clinic are reimbursed based upon prospectively determined fee schedules.

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

# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Notes to Combined Financial Statements

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### Note 2      Reimbursement Arrangements With Third-Party Payors (Continued)

#### Senior Life Center

*Medicare* - The Senior Life Center's reimbursement under the Medicare program for Part A services is based on a prospective payment system. Payments for services rendered vary according to a resident classification system that is based on a minimum data set (MDS) of diagnostic and other information. Medicare pays the Senior Life Center for Part B services based on predetermined fee schedules.

*Medicaid* - Resident care services rendered to Medicaid beneficiaries are reimbursed based on a schedule of prospectively determined daily rates determined by Wisconsin's Medicaid programs. A rate is assigned to each resident based on the resident's ability to perform certain activities of daily living and on certain other clinical factors.

The State of Wisconsin uses a MDS resident assessment system. As a result, Medicaid residents are classified into one of 48 Resource Utilization Groups (RUGs) for purposes of establishing payment rates. Every three months, a case mix average is developed for the Senior Life Center's Medicaid residents based on their respective RUGs score, and the Senior Life Center is reimbursed based on the resulting composite case mix index. Rate adjustments under this program are reflected in income when determinable.

#### Accounting for Contractual Arrangements

The Corporations are reimbursed for certain cost reimbursable items at an interim rate, and final settlements are determined after audit of the Corporations' related annual cost reports by the respective Medicare and Medicaid fiscal intermediaries. Estimated provisions to approximate the final expected settlements after review by the intermediaries are included in the accompanying combined financial statements. The Corporations' Medicare cost reports have been audited by the Medicare fiscal intermediary through September 30, 2011. The Corporations' Medicaid cost reports have been audited by the State of Wisconsin through September 30, 2008.

# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Notes to Combined Financial Statements

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### Note 2      **Reimbursement Arrangements With Third-Party Payors** (Continued)

#### **Medicaid Reimbursable Costs**

Through June 30, 2010, the Hospital was reimbursed for cost-based Medicaid services at tentative rates received during the year. The final settlement of reimbursable amounts was retrospectively determined by the State of Wisconsin (the "State"), using cost reports that were filed annually and subsequently audited by the Medicare program (in conjunction with its audits of both Medicare and Medicaid reimbursable amounts). No settlement notices were received from the State in 2013 or 2014 and currently the Medicaid cost settlements for the year ended September 30, 2009 and the period from October 1, 2009, through June 30, 2010, remain unreviewed by the State.

Differences between the Hospital's estimates and subsequent final settlements by the State will be included in future combined statements of operations and changes in net assets and disclosed, if material, in the fiscal years in which the final settlements occur.

#### **Wisconsin Hospital Assessments**

Under legislation enacted by the State, eligible CAHs, including the Hospital, are required to pay the State an annual assessment. The assessment period is the State's fiscal year, which runs from July to June. The assessment is based on each hospital's gross inpatient revenue, as defined. The revenue generated from the assessment is to be used, in part, to increase overall reimbursement under the Wisconsin Medicaid program through the development of an access payment system. Under the new CAH payment system, the Wisconsin Medicaid program will pay a hospital-specific amount per discharge for inpatient and outpatient services, determined based on prior hospital cost reports, plus an additional access payment. In exchange for receiving these access payments, the State eliminated retroactive cost report settlements to CAHs effective July 1, 2010.

# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Notes to Combined Financial Statements

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### Note 2      Reimbursement Arrangements With Third-Party Payors (Continued)

#### Electronic Health Record Incentive Funding

The Hospital previously attested to the criteria for Medicare meaningful use during 2012. Accordingly, the Hospital received approximately \$600,000 in EHR incentive payments from the Medicare program in 2013, and estimates that another approximately \$350,000 and \$300,000 will be received for additional Medicare meaningful use costs incurred in 2013 and 2014, respectively. The Hospital recognized approximately \$326,000 and \$339,000 for the Medicare EHR incentive payments in the accompanying combined financial statements in 2014 and 2013, respectively, and deferred recognition of the remaining amounts. The deferred revenue will be recognized as revenue over approximately the same future periods as depreciation expense is recognized on the related capital assets which were purchased to meet the required qualifications of the Medicare EHR incentive program.

The Hospital also anticipates that additional funding will be available from the Medicaid EHR incentive program in subsequent years and will record amounts when future applications are filed and funding can reasonably be determined.

# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Notes to Combined Financial Statements

### Note 3 Patient and Resident Accounts Receivable

Patient and resident accounts receivable is comprised of the following at September 30

	2014	2013
Patient and resident accounts receivable	\$ 18,500,555	\$ 13,818,740
Less		
Contractual adjustments	5,881,482	4,311,935
Allowance for doubtful accounts	2,193,805	2,219,848
Patient and resident accounts receivable - Net	\$ 10,425,268	\$ 7,286,957

The Corporations' allowance for doubtful accounts decreased from approximately 16% of gross patient and resident accounts receivable at September 30, 2013, to approximately 12% of gross patient and resident accounts receivable at September 30, 2014. The Corporations' write-offs of patient and resident accounts receivable, net of recoveries, decreased from approximately \$2.9 million for the year ended September 30, 2013, to approximately \$2.5 million for the year ended September 30, 2014. The Corporations previously experienced a trend of patients and residents with high deductible and copay insurance plans who were often unable to meet the higher patient obligations, which resulted in larger write-off amounts. As indicated in Note 1, the Hospital integrated a physician clinic as a department of the Hospital on January 1, 2014, which has a significant amount of net patient service revenue, however, has a more favorable collection experience with patients than the Hospital experienced in 2013 and 2014. Due to these trends and changes in patient base, the allowance for doubtful accounts as a percentage of total patient and resident accounts receivable was decreased at September 30, 2014.

# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Notes to Combined Financial Statements

### Note 4 Investments, Assets Limited as to Use, and Investment Income

The composition of investments at September 30 is set forth in the following table

	2014	2013
Certificates of deposit	\$ 836,856	\$ 1,296,941
Cash, cash equivalents, and money market funds	448,628	463,660
Marketable equity securities	1,542,413	1,191,250
Fixed income mutual funds	7,170,339	4,246,843
Equity mutual funds	4,541,594	3,530,357
Common trust funds	1,540,119	1,750,949
Fixed income securities - Municipal and corporate bonds	3,478,840	2,637,732
<b>Total investments</b>	<b>\$ 19,558,789</b>	<b>\$ 15,117,732</b>

The composition of assets limited as to use at September 30 is set forth in the following table.

	2014	2013
Cash, cash equivalents, and money market funds	\$ 785,928	\$ 627,617
Marketable equity securities	407,838	-
Equity mutual funds	562,951	860,771
Fixed income mutual funds	1,575,986	1,509,245
Fixed income securities - Corporate bonds	1,698,410	1,856,390
<b>Total assets limited as to use</b>	<b>5,031,113</b>	<b>4,854,023</b>
<b>Less - Current obligations</b>	<b>589,364</b>	<b>565,890</b>
<b>Long-term assets limited as to use</b>	<b>\$ 4,441,749</b>	<b>\$ 4,288,133</b>



# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Notes to Combined Financial Statements

### Note 4 Investments, Assets Limited as to Use, and Investment Income (Continued)

Investment income consisted of the following for the years ended September 30

	2014	2013
Interest and dividends	\$ 328,063	\$ 256,770
Net realized gains on sales of investments	668,589	924,082
Total investment income	\$ 996,652	\$ 1,180,852
Other changes in unrestricted net assets		
Net change in unrealized gains and losses on investments other than trading securities	\$ 207,665	\$ (291,444)

Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the combined balance sheets.

Management assesses individual investment securities as to whether declines in market value are temporary or other than temporary. In assessing an issuer's financial condition, management evaluates various financial indicators (examples the financial position and near term prospects of the issuer, conditions in the issuer's industry, liquidity of the investment, industry analysts' reports, and any recent downgrades of the issuer by a rating agency). The length of time and extent to which the fair value of the investment is less than cost and the Corporations' ability and intent to retain the investment to allow for any anticipated recovery of the investment's fair value are key components as to whether management deems declines in fair value as temporary or other than temporary. If declines are determined to be other than temporary, the Corporations record a realized loss in investment income. Management reviewed the investment portfolio at September 30, 2014 and 2013, and determined that all securities with a decline in value were not deemed other than temporary declines in value and, as such, there were no impairment losses recognized in the investments held at September 30, 2014 and 2013.

# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Notes to Combined Financial Statements

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### Note 5 Fair Value Measurement

Following is a description of the valuation methodology used for assets measured at fair value.

Money market funds are valued using a net asset value (NAV) of \$1. Quoted market prices are used to determine the fair value of investments in marketable equity securities, which primarily consist of publicly traded common and preferred stock. Mutual funds held by the Corporations are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Corporations are deemed to be actively traded. Fixed income securities are primarily invested in corporate and municipal bonds and are valued using quotes from pricing vendors for identical or similar assets based on recent trading activity and other observable market data. Common trust funds are primarily invested in fixed income securities, such as corporate and U.S. Government bonds, and are valued based on a compilation of pricing of the underlying securities by a financial institution, which uses pricing vendors for identical or similar assets based on recent trading activity, other observable market data, or historical bond pricing and interest rates.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Corporations believe their valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Notes to Combined Financial Statements

### Note 5 Fair Value Measurement (Continued)

The following tables set forth by level, within the fair value hierarchy, the Corporations' assets measured on a recurring basis (principally investments and assets limited as to use) at fair value as of September 30

	2014			
	Fair Value Measurements Using			Total Assets at
	Level 1	Level 2	Level 3	Fair Value
Assets				
Money market funds	\$ -	\$ 1,233,801	\$ -	\$ 1,233,801
Marketable equity securities				
Common stock	1,950,251	-	-	1,950,251
Equity mutual funds.				
Blend funds	683,635	-	-	683,635
Growth funds	1,568,432	-	-	1,568,432
Index funds	139,665	-	-	139,665
Value funds	1,775,566	-	-	1,775,566
Exchange traded funds	588,312	-	-	588,312
Other funds	348,935	-	-	348,935
Fixed income mutual funds				
Short-term bond funds	4,532,206	-	-	4,532,206
Intermediate-term bond funds	2,113,805	-	-	2,113,805
Exchange traded funds	1,173,301	-	-	1,173,301
Other bond funds	927,013	-	-	927,013
Fixed income securities				
US Government Agency and				
Municipal	-	527,764	-	527,764
Corporate Bonds	-	4,649,486	-	4,649,486
Common trust funds.				
Fixed income securities	-	1,540,119	-	1,540,119
	\$ 15,801,121	\$ 7,951,170	\$ -	\$ 23,752,291

# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Notes to Combined Financial Statements

### Note 5 Fair Value Measurement (Continued)

	2013			Total Assets at Fair Value
	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	
Assets				
Money market funds	\$ -	\$ 1,091,277	\$ -	\$ 1,091,277
Marketable equity securities				
Common stock	1,191,250	-	-	1,191,250
Equity mutual funds				
Blend funds	279,443	-	-	279,443
Growth funds	1,596,279	-	-	1,596,279
Index funds	235,270	-	-	235,270
Value funds	1,836,835	-	-	1,836,835
Other funds	443,301	-	-	443,301
Fixed income mutual funds				
Short-term bond funds	2,762,369	-	-	2,762,369
Intermediate-term bond funds	2,013,180	-	-	2,013,180
Other bond funds	980,539	-	-	980,539
Fixed income securities.				
U.S. Government Agency and				
Municipal	-	1,010,516	-	1,010,516
Corporate Bonds	-	3,483,606	-	3,483,606
Common trust funds				
Fixed income securities	-	1,750,949	-	1,750,949
	\$ 11,338,466	\$ 7,336,348	\$ -	\$ 18,674,814

The carrying values of current assets and current liabilities are reasonable estimates of their fair value due to the short-term nature of these financial instruments.

The estimated value of long-term debt based on quoted market prices for the same or similar issues of revenue bonds was approximately \$2,367,000 less than the recorded carrying value in the combined financial statements as of September 30, 2014.

# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Notes to Combined Financial Statements

### Note 6 Property and Equipment

A summary of property and equipment by major categories, at September 30, is as follows

	2014	2013
Land and land improvements	\$ 2,811,311	\$ 2,811,311
Buildings	56,398,143	56,107,212
Furniture and equipment	17,854,528	16,504,657
Construction in progress	503,324	33,482
Total property and equipment	77,567,305	75,456,662
Less - Accumulated depreciation and amortization	34,946,791	31,698,194
Property and equipment - Net	\$ 42,620,514	\$ 43,758,468

Depreciation expense totaled \$3,363,822 and \$3,245,341 at September 30, 2014 and 2013, respectively.

The cost of equipment under capital lease obligations, which is included in furniture and equipment, was \$460,000 and \$2,038,889 at September 30, 2014 and 2013, respectively, and the related accumulated amortization was \$258,750 and \$1,072,940 as of September 30, 2014 and 2013, respectively.

At September 30, 2014, construction in progress primarily relates to a renovation project of existing space within the Hospital's specialty medical office building. The Hospital anticipates the project will be completed during fiscal year 2015 and the remaining costs to complete the project are approximately \$180,000. The renovation project is being paid for out of operating funds of the Hospital.

# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Notes to Combined Financial Statements

### Note 7 Long-Term Debt and Capital Lease Obligations

Long-term debt and capital lease obligations consisted of the following at September 30

	2014	2013
City of Reedsburg Revenue Bonds, dated June 30, 2003, payable in annual installments on April 15 of \$136,842, plus interest at 3 19%, due in 2022, secured by property and equipment of the Hospital.	\$ 1,094,738	\$ 1,231,580
Wisconsin Health and Educational Facilities Authority (WHEFA) Revenue Bonds, Series 2006A, dated June 28, 2006, payable in annual installments ranging from \$435,000 to \$995,000, due in 2025, interest payable semiannually at 5 65%	8,260,000	8,695,000
WHEFA Revenue Refunding Bonds, Series 2010A, dated August 31, 2010, payable in annual installments ranging from \$205,000 to \$1,525,000, due in 2028, interest payable semiannually at 3 5% to 6 1%	5,230,000	5,425,000
WHEFA Adjustable Demand Revenue Refunding Bonds, Series 2010B, dated September 1, 2010 Refinanced in 2014	-	15,000,000
WHEFA Adjustable Rate Refunding Revenue Bonds, Series 2014A, dated February 1, 2014, payable in monthly installments of \$37,734 including interest through April 1, 2021, then annual principal installments of \$375,000, plus semi-annual interest payments with final payment due June 1, 2036 Initial interest rate of 2 56% with a subsequent rate adjustment to be determined on June 1, 2021	7,344,129	-

# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Notes to Combined Financial Statements

### Note 7 Long-Term Debt and Capital Lease Obligations (Continued)

	2014	2013
WHEFA Adjustable Rate Refunding Revenue Bonds, Series 2014B, dated February 1, 2014, payable in monthly installments of \$37,734 including interest through April 1, 2021, then annual principal installments of \$365,000 plus semi-annual interest payments with a final payment due June 1, 2036 Initial interest rate of 2.56% with a subsequent rate adjustment to be determined on June 1, 2021	\$ 7,344,128	\$ -
Wells Fargo Equipment Finance, Inc. Loan, dated August 22, 2014, payable in monthly installments of \$11,984 including interest at 3.53%, due in 2017, collateralized by leased radiology equipment.	408,060	-
Capital lease obligations with interest rates imputed at 3.14% at September 30, 2014, collateralized by leased radiology equipment, payable in monthly installment payments as required in the agreement	112,780	812,113
Totals	29,793,835	31,163,693
Less - Current portion	1,553,421	1,298,486
Long-term portion	\$ 28,240,414	\$ 29,865,207

The loans and related agreements with WHEFA provide, among other things, that the members of the Obligated Group, which include the Hospital and Senior Life Center, are jointly and severally obligated for debt service on all obligations issued thereunder.

The loan agreements on the bonds contain various covenants including those relating to limitations on incurring additional debt and satisfaction of certain financial performance measures as long as the agreements are outstanding. Management believes the Obligated Group is in compliance with all such covenants. The agreements are also secured by the property and equipment of the Obligated Group.

# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Notes to Combined Financial Statements

### Note 7 Long-Term Debt and Capital Lease Obligations (Continued)

In February 2014, the Obligated Group refinanced the outstanding obligations of the WHEFA Adjustable Demand Revenue Refinancing Bonds, Series 2010B. This refinancing was accomplished by the issuance of the WHEFA Adjustable Rate Refunding Revenue Bonds Series 2014A and 2014B, in the amounts of \$7,500,000 and \$7,500,000, respectively.

Scheduled payments of principal on long-term debt and capital lease obligations at September 30, including current portions, are summarized as follows.

	Long-Term Debt	Capital Lease Obligations
2015	\$ 1,463,678	\$ 95,496
2016	1,520,255	23,340
2017	1,579,631	-
2018	1,497,148	-
2019	1,564,886	-
Thereafter	22,055,457	-
	<u>\$ 29,681,055</u>	118,836
Less - Amounts representing interest on capital lease obligations		<u>6,056</u>
		<u>\$ 112,780</u>



# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Notes to Combined Financial Statements

### Note 8 Patient and Resident Service Revenue – Net of Contractual Adjustments and Discounts

Patient and resident service revenue – net of contractual adjustments and discounts consisted of the following for the years ended September 30.

	2014	2013
Gross patient and resident service revenue		
Inpatient services	\$ 19,715,083	\$ 18,535,140
Outpatient and clinical services	88,905,173	69,121,945
Nursing home services	7,259,151	7,012,359
Totals	115,879,407	94,669,444
Deductions - Primarily contractual adjustments under third-party reimbursement agreements	53,637,853	43,595,233
Patient and resident service revenue - Net of contractual adjustments and discounts	\$ 62,241,554	\$ 51,074,211

The Corporations' percent of gross patient and resident service revenue by payor is as follows for the years ended September 30

	2014	2013
Medicare and Medicare Advantage Plans	39%	39%
Medicaid and Medicaid HMO Plans	15%	14%
Other third-party payors	41%	41%
Patients and residents	5%	6%
Totals	100%	100%

# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Notes to Combined Financial Statements

### Note 8 Patient and Resident Service Revenue – Net of Contractual Adjustments and Discounts (Continued)

Patient and resident service revenue - net of contractual adjustments, prior to the provision for bad debts recognized in the years ended September 30 from major payor sources, is as follows

	2014	2013
Medicare, Medicaid, Medicaid Health Maintenance Organization (HMO) Plans, and other third-party payors	\$ 59,025,572	\$ 47,931,354
Uninsured patients and residents	3,215,982	3,142,857
Patient and resident service revenue - Net of contractual adjustments and discount	\$ 62,241,554	\$ 51,074,211

### Note 9 Charity Care (Community Care)

The Corporations provide health care services and other financial support through various programs that are designed, among other matters, to enhance the health of the community including the health of low-income patients and residents. Consistent with the mission of the Corporations, care is provided to patients and residents regardless of their ability to pay, including providing services to those persons who cannot afford health insurance because of inadequate resources or who are underinsured. The Corporations give discounts from established charges to self-pay patients of the Hospital without regard to ability to pay and consider these discounts a part of their community benefit.

Patients and residents who meet certain criteria for charity care, generally based on federal poverty guidelines, are provided care based on qualifying criteria as defined in the Corporations' community care policy and from applications completed by patients and residents and their families.

# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Notes to Combined Financial Statements

### Note 9 Charity Care (Community Care) (Continued)

The estimated cost of providing care to patients and residents under the Corporations' community care policy and to patients of the community free clinic aggregated approximately \$1,006,000 and \$1,111,000 in 2014 and 2013, respectively. The cost was calculated by multiplying the ratio of cost to gross charges for the Corporations times the gross uncompensated charges associated with providing the community care.

Other benefits for the community also include unpaid costs of treating the elderly, health screenings, community education through seminars and classes, and other health-related services.

### Note 10 Clinic Leases

The Hospital rents clinic facilities and land to physicians under noncancellable operating leases for which the Hospital has secured agreements through 2027. Approximately 25% of the property and equipment listed below includes the clinic facilities and land being leased at September 30.

	2014	2013
Land and land improvements	\$ 193,128	\$ 193,128
Buildings	5,882,719	5,882,719
Furniture and equipment	347,925	347,925
Total leased property	6,423,772	6,423,772
Less - Accumulated depreciation	1,484,857	1,286,946
Leased property - Net	\$ 4,938,915	\$ 5,136,826

Rental income, including cancellable and noncancellable leases, included in other revenue in the accompanying combined statements of operations and changes in net assets for the years ended September 30, 2014 and 2013, was \$427,297 and \$543,625, respectively.

# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Notes to Combined Financial Statements

### Note 10 Clinic Leases (Continued)

Total minimum rental income at September 30, 2014, under noncancellable leases with terms greater than one year follows

2015	\$	106,400
2016		106,400
2017		106,400
2018		106,400
2019		106,400
Thereafter		906,008
	\$	1,438,008

### Note 11 Supporting Organizations

#### Reedsburg Area Medical Center Foundation, Inc.

The Foundation was established during 1976 to raise funds to support the operations of the Hospital and Senior Life Center. The Foundation's bylaws provide that all funds raised, except for funds required for operation of the Foundation, be distributed to or held primarily for the benefit of the Hospital and Senior Life Center. During 2014 and 2013, the Foundation contributed funds to the Hospital and Senior Life Center in the amount of \$22,554 and \$800, respectively.

A summary of the financial information for funds recognized by the Hospital and Senior Life Center from internal records of the Foundation for the twelve month periods ended September 30 is as follows.

	2014	2013
Assets	\$ 2,358,886	\$ 2,115,021
Liabilities	\$ -	\$ 402
Net assets	\$ 2,358,886	\$ 2,114,619

# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Notes to Combined Financial Statements

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### Note 11      Supporting Organizations (Continued)

#### Partners of Reedsburg Area Medical Center

The Partners organization was established during 1974 to raise funds to support the operation and mission of the Hospital. The Partners' bylaws provide that funds raised shall be donated to the various departments of the Hospital and held and distributed in accordance with objectives established by the Partners and the Hospital. During 2014 and 2013, the Partners contributed funds to the Hospital in the amount of \$11,439 and \$2,376.

A summary of the financial information from internal records for the Partners for the twelve month periods ended September 30 is as follows

	2014	2013
Assets	\$ 93,779	\$ 90,484
Net assets	\$ 93,779	\$ 90,484

#### Home Health United, Inc.

The Hospital appoints one member (of five) to the respective boards of Home Health United, Inc. and its affiliates, HHU Xtra Care, Inc. and Home Care United, Inc., and is considered a sponsoring organization to these organizations. The Hospital received a distribution from Home Health United, Inc. of \$75,000 in 2014, which is included in other income (expense) in the accompanying combined statements of operations and changes in net assets in 2014.

# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Notes to Combined Financial Statements

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### Note 12      Concentration of Credit Risk

Financial instruments that potentially subject the Corporations to credit risk consist principally of accounts receivable, cash deposits in excess of insured limits, and investments of surplus operating funds.

Patient and resident accounts receivable consist of amounts due from patients and residents, their insurers, or governmental agencies (primarily Medicare and Medicaid) for health care provided to the patients and residents. The majority of the Corporations' patients and residents are from Reedsburg, Wisconsin, and the surrounding area. The mix of receivables from patients, residents, and third-party payors was as follows at September 30

	2014	2013
Medicare and Medicare Advantage Plans	24%	24%
Medicaid and Medicaid HMO Plans	12%	10%
Other third-party payors	41%	37%
Patients and residents	23%	29%
Totals	100%	100%

The Corporations maintain depository relationships with area financial institutions that are Federal Depository Insurance Corporation (FDIC) insured institutions. Depository accounts are insured by the FDIC up to \$250,000. Operating cash needs often require that amounts on deposit exceed FDIC limits. Management has entered into pledging agreements and obtained additional depository insurance to provide for additional collateral on amounts in excess of the insured limits for the Corporations. At September 30, 2014, the amount of the Corporations' bank account balances in excess of FDIC limits and pledged amounts was approximately \$960,000.

# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Notes to Combined Financial Statements

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### **Note 13      Employee Retirement Plan**

The Corporations sponsor a contributory defined contribution retirement plan covering employees who have attained age 21 and completed one year of service. The Corporations match each participant's contribution up to a maximum of 5% of covered earnings. The Corporations' retirement plan expense for the years ended September 30, 2014 and 2013, was approximately \$889,000 and \$785,000, respectively.

### **Note 14      Self-Funded Insurance**

The Corporations have a self-funded health care plan that provides medical and pharmaceutical benefits to employees and their dependents. Employees share in the cost of health benefits, with health care premiums paid by employees in amounts determined by actuaries based on historical experience. Health care expense is based upon actual claims paid, reinsurance premiums, administration fees, and unpaid claims at year-end. The Corporations' purchase reinsurance to cover catastrophic individual claims over a specific limit.

Health care expense was approximately \$5,234,000 and \$4,539,000 in 2014 and 2013, respectively. A liability of \$800,000 and \$527,720 for claims outstanding at September 30, 2014 and 2013, has been recorded in current liabilities in the accompanying combined balance sheets. Management believes this liability is sufficient to cover estimated claims including claims incurred, but not yet reported as of the year-end dates.

# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Notes to Combined Financial Statements

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### **Note 15      Professional Liability Insurance**

The Corporations' professional liability insurance for claim losses of less than \$1,000,000 per claim and \$3,000,000 per year covers professional liability claims reported during a policy year ("claims made" coverage). The Corporations are insured against losses in excess of these amounts through their participation in the mandatory Patients' Compensation Fund of the State of Wisconsin. The professional liability insurance policy is renewable annually and has been renewed by the insurance carrier for the annual period extending to August 13, 2015.

Under a claims made policy, the risk for claims and incidents not asserted within the policy period remains with the Corporations. Although there exists the possibility of claims arising from services provided to patients and residents through September 30, 2013, which have not yet been asserted, the Corporations have not been given notice of any such possible claims and, accordingly, no provision has been made.

### **Note 16      Laws and Regulations**

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and billing regulations. Government activity with respect to investigations and allegations concerning possible violations of such regulations by health care providers has increased. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the Corporations are in compliance with applicable government laws and regulations. While no significant regulatory inquiries have been made of the Corporations, compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time.



# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Notes to Combined Financial Statements

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### Note 16      **Laws and Regulations** (Continued)

CMS uses recovery audit contractors (RACs) to search for potentially inaccurate Medicare payments that may have been made to health care providers and were not detected through existing CMS program-integrity efforts. Once a RAC identifies a claim it believes is inaccurate, the RAC makes a deduction from or addition to the provider's Medicare reimbursement in an amount estimated to equal the overpayment or underpayment. The provider has the ability to appeal these adjustments. Management is not aware of any current RAC reviews which would result in significant reimbursement adjustments.

### Note 17      **Functional Expenses**

The Corporations provide general health care services to residents within their geographic location. Expenses related to providing these services for the years ended September 30 are as follows

	2014	2013
Health care services	\$ 52,270,312	\$ 44,027,360
General and administrative	7,517,284	6,248,243
Total expenses	\$ 59,787,596	\$ 50,275,603

### Note 18      **Operating Leases**

The Corporations lease various items of equipment and building space under leases classified as operating leases. The Corporations' rental expense was approximately \$453,327 and \$181,300 for the years ended September 30, 2014 and 2013, respectively.

# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Notes to Combined Financial Statement

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### **Note 19      Deferred Compensation**

The Hospital has entered into deferred compensation agreements for certain members of management that provide for a payment upon retirement equal to the cash value of the agreement as of their retirement date. The assets are primarily invested in cash surrender value life insurance policies and are included in other assets on the accompanying balance sheets. The liabilities deferred under the plan are included as deferred compensation in the accompanying combined balance sheets. The amount of deferred compensation expense for the years ended September 30, 2014 and 2013, was approximately \$107,400 and \$126,800, respectively.

### **Note 20      Reclassifications**

Certain reclassifications have been made to the 2013 combined financial statements to conform with the classifications used in 2014.

### **Note 21      Subsequent Event**

#### **Pharmacy Acquisition**

Subsequent to the year ended September 30, 2014, the Hospital entered into discussions with a retail pharmacy to potentially purchase and operate the pharmacy. No commitments have been signed as of the date of the combined financial statements and a purchase price has not yet been determined.

## Supplementary Information – Obligated Group Combining Financial Statements

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# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Combining Balance Sheet

September 30, 2014

<i>Assets</i>	Obligated Group				Ridgeview	Ridgeview	Eliminations	Total
	Reedsburg Area Medical Center, Inc.	Reedsburg Area Senior Life Center, Inc.	Eliminations	Total Obligated Group	Heights Independent Living Corporation	Heights Independent Living Corporation II		
Current assets								
Cash and cash equivalents	\$ 4,819,577	\$ 871,323	\$ -	\$ 5,690,900	\$ 335,259	\$ 101,771	\$ -	\$ 6,127,930
Assets limited as to use	589,364	-	-	589,364	-	-	-	589,364
Short-term investments	14,237,641	681,303	-	14,918,944	591,629	-	-	15,510,573
Patient and resident accounts receivable - Net	10,124,221	301,047	-	10,425,268	-	-	-	10,425,268
Other accounts receivable	1,386,767	-	(1,356,745)	30,022	57,787	-	(87,809)	-
Inventories	1,542,039	-	-	1,542,039	-	-	-	1,542,039
Amounts receivable from third-party reimbursement programs	106,091	-	-	106,091	-	-	-	106,091
Other current assets	759,873	27,852	-	787,725	7,533	6,329	-	801,587
Total current assets	33,565,573	1,881,525	(1,356,745)	34,090,353	992,208	108,100	(87,809)	35,102,852
Investments	2,732,764	912,291	-	3,645,055	403,161	-	-	4,048,216
Assets limited as to use - Net of amounts required to meet current obligations	4,441,749	-	-	4,441,749	-	-	-	4,441,749
Property and equipment - Net	27,010,094	8,957,874	-	35,967,968	2,383,854	4,268,692	-	42,620,514
Other assets								
Interest in net assets of supporting organizations	1,503,041	949,624	-	2,452,665	-	-	-	2,452,665
Note receivable	95,303	-	-	95,303	-	-	-	95,303
Debt issuance costs	238,949	55,290	-	294,239	-	-	-	294,239
Deferred compensation plan assets	1,177,521	-	-	1,177,521	-	-	-	1,177,521
Goodwill	242,000	-	-	242,000	-	-	-	242,000
Total other assets	3,256,814	1,004,914	-	4,261,728	-	-	-	4,261,728
<b>TOTAL ASSETS</b>	<b>\$ 71,006,994</b>	<b>\$ 12,756,604</b>	<b>\$ (1,356,745)</b>	<b>\$ 82,406,853</b>	<b>\$ 3,779,223</b>	<b>\$ 4,376,792</b>	<b>\$ (87,809)</b>	<b>\$ 90,475,059</b>

# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Combining Balance Sheet (Continued)

September 30, 2014

<i>Liabilities and Net Assets (Deficit)</i>	Obligated Group			Total Obligated Group	Ridgeview Heights Independent Living Corporation	Ridgeview Heights Independent Living Corporation II	Eliminations	Total
	Reedsburg Area Medical Center, Inc.	Reedsburg Area Senior Life Center, Inc.	Eliminations					
Current liabilities								
Current portion of long-term debt and capital lease obligations	\$ 1,553,421	\$ -	\$ -	\$ 1,553,421	\$ -	\$ -	\$ -	\$ 1,553,421
Accounts payable - Trade	2,115,874	53,460	-	2,169,334	28,867	47,670	-	2,245,871
Accounts payable - Other	-	1,356,745	(1,356,745)	-	16,512	71,297	(87,809)	-
Accrued payroll and payroll taxes	1,856,877	2,091	-	1,858,968	-	-	-	1,858,968
Accrued vacation	2,311,208	222,134	-	2,533,342	-	-	-	2,533,342
Accrued medical claims payable	696,263	103,737	-	800,000	-	-	-	800,000
Accrued interest	284,406	-	-	284,406	-	-	-	284,406
Other current liabilities	141,798	24,141	-	165,939	-	-	-	165,939
<b>Total current liabilities</b>	<b>8,959,847</b>	<b>1,762,308</b>	<b>(1,356,745)</b>	<b>9,365,410</b>	<b>45,379</b>	<b>118,967</b>	<b>(87,809)</b>	<b>9,441,947</b>
Long-term liabilities								
Deferred compensation	1,215,564	-	-	1,215,564	-	-	-	1,215,564
Resident deposits	-	-	-	-	4,183,939	4,202,246	-	8,386,185
Long-term debt and capital lease obligations - Less current portion	17,738,169	10,502,245	-	28,240,414	-	-	-	28,240,414
<b>Total long-term liabilities</b>	<b>18,953,733</b>	<b>10,502,245</b>	<b>-</b>	<b>29,455,978</b>	<b>4,183,939</b>	<b>4,202,246</b>	<b>-</b>	<b>37,842,163</b>
<b>Total liabilities</b>	<b>27,913,580</b>	<b>12,264,553</b>	<b>(1,356,745)</b>	<b>38,821,388</b>	<b>4,229,318</b>	<b>4,321,213</b>	<b>(87,809)</b>	<b>47,284,110</b>
Net assets (deficit)								
Unrestricted	41,587,356	(457,573)	-	41,129,783	(450,095)	55,579	-	40,735,267
Temporarily restricted	1,506,058	949,624	-	2,455,682	-	-	-	2,455,682
<b>Total net assets (deficit)</b>	<b>43,093,414</b>	<b>492,051</b>	<b>-</b>	<b>43,585,465</b>	<b>(450,095)</b>	<b>55,579</b>	<b>-</b>	<b>43,190,949</b>
<b>TOTAL LIABILITIES AND NET ASSETS (DEFICIT)</b>	<b>\$ 71,006,994</b>	<b>\$ 12,756,604</b>	<b>\$ (1,356,745)</b>	<b>\$ 82,406,853</b>	<b>\$ 3,779,223</b>	<b>\$ 4,376,792</b>	<b>\$ (87,809)</b>	<b>\$ 90,475,059</b>

# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Combining Balance Sheet (Continued)

September 30, 2013

<i>Assets</i>	Obligated Group				Ridgeview Heights Independent Living Corporation	Ridgeview Heights Independent Living Corporation II	Eliminations	Total
	Reedsburg Area Medical Center, Inc.	Reedsburg Area Senior Life Center, Inc.	Eliminations	Total Obligated Group				
Current assets								
Cash and cash equivalents	\$ 5,437,229	\$ 470,657	\$ -	\$ 5,907,886	\$ 568,268	\$ 180,282	\$ -	\$ 6,656,436
Assets limited as to use	565,890	-	-	565,890	-	-	-	565,890
Short-term investments	11,234,282	552,753	-	11,787,035	282,898	96,591	-	12,166,524
Patient and resident accounts receivable - Net	6,890,425	396,532	-	7,286,957	-	-	-	7,286,957
Other accounts receivable	531,976	-	(480,411)	51,565	194,138	-	(245,703)	-
Inventories	1,531,572	-	-	1,531,572	-	-	-	1,531,572
Amounts receivable from third-party reimbursement programs	595,454	-	-	595,454	-	-	-	595,454
Other current assets	692,258	37,092	-	729,350	6,904	5,651	-	741,905
Total current assets	27,479,086	1,457,034	(480,411)	28,455,709	1,052,208	282,524	(245,703)	29,544,738
Investments	2,443,421	507,787	-	2,951,208	-	-	-	2,951,208
Assets limited as to use - Net of amounts required to meet current obligations	4,288,133	-	-	4,288,133	-	-	-	4,288,133
Property and equipment - Net	27,755,759	9,252,420	-	37,008,179	2,369,425	4,380,864	-	43,758,468
Other assets								
Interest in net assets of supporting organizations	1,361,906	843,197	-	2,205,103	-	-	-	2,205,103
Note receivable	96,946	-	-	96,946	-	-	-	96,946
Debt issuance costs	308,044	175,579	-	483,623	-	-	-	483,623
Deferred compensation plan assets	1,117,136	-	-	1,117,136	-	-	-	1,117,136
Other	286,504	-	-	286,504	-	-	-	286,504
Total other assets	3,170,536	1,018,776	-	4,189,312	-	-	-	4,189,312
<b>TOTAL ASSETS</b>	<b>\$ 65,136,935</b>	<b>\$ 12,236,017</b>	<b>\$ (480,411)</b>	<b>\$ 76,892,541</b>	<b>\$ 3,421,633</b>	<b>\$ 4,663,388</b>	<b>\$ (245,703)</b>	<b>\$ 84,731,859</b>

# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Combining Balance Sheet (Continued)

September 30, 2013

<i>Liabilities and Net Assets (Deficit)</i>	Obligated Group				Ridgeview Heights Independent Living Corporation	Ridgeview Heights Independent Living Corporation II	Eliminations	Total
	Reedsburg Area Medical Center, Inc.	Reedsburg Area Senior Life Center, Inc.	Eliminations	Total Obligated Group				
Current liabilities								
Current portion of long-term debt and capital lease obligations	\$ 1,298,486	\$ -	\$ -	\$ 1,298,486	\$ -	\$ -	\$ -	\$ 1,298,486
Accounts payable - Trade	1,543,614	35,717	-	1,579,331	46,034	50,140	(51,555)	1,623,950
Accounts payable - Other	-	480,411	(480,411)	-	10	194,138	(194,148)	-
Accrued payroll and payroll taxes	1,175,946	1,395	-	1,177,341	-	-	-	1,177,341
Accrued vacation	2,006,387	199,838	-	2,206,225	-	-	-	2,206,225
Accrued medical claims payable	462,620	65,100	-	527,720	-	-	-	527,720
Accrued interest	267,955	-	-	267,955	-	-	-	267,955
Amounts payable to third-party reimbursement programs	-	-	-	-	-	-	-	-
Other current liabilities	317,816	22,000	-	339,816	-	-	-	339,816
Total current liabilities	7,072,824	804,461	(480,411)	7,396,874	46,044	244,278	(245,703)	7,441,493
Long-term liabilities								
Deferred compensation	1,179,356	-	-	1,179,356	-	-	-	1,179,356
Resident deposits	-	-	-	-	3,733,244	4,289,210	-	8,022,454
Long-term debt and capital lease obligations - Less current portion	19,138,507	10,726,700	-	29,865,207	-	-	-	29,865,207
Total long-term liabilities	20,317,863	10,726,700	-	31,044,563	3,733,244	4,289,210	-	39,067,017
Total liabilities	27,390,687	11,531,161	(480,411)	38,441,437	3,779,288	4,533,488	(245,703)	46,508,510
Net assets (deficit)								
Unrestricted	36,381,325	(138,341)	-	36,242,984	(357,655)	129,900	-	36,015,229
Temporarily restricted	1,364,923	843,197	-	2,208,120	-	-	-	2,208,120
Total net assets (deficit)	37,746,248	704,856	-	38,451,104	(357,655)	129,900	-	38,223,349
TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	\$ 65,136,935	\$ 12,236,017	\$ (480,411)	\$ 76,892,541	\$ 3,421,633	\$ 4,663,388	\$ (245,703)	\$ 84,731,859

See Independent Auditor's Report.

# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Combining Statement of Operations and Changes in Net Assets

Year Ended September 30, 2014

	Obligated Group				Ridgeview Heights Independent Living Corporation	Ridgeview Heights Independent Living Corporation II		
	Reedsburg Area Medical Center, Inc.	Reedsburg Area Senior Life Center, Inc.	Eliminations	Total Obligated Group			Eliminations	Total
Unrestricted net assets								
Revenue								
Patient and resident service revenue - Net of contractual adjustments and discounts	\$ 56,871,891	\$ 5,381,178	\$ (11,515)	\$ 62,241,554	\$ -	\$ -	\$ -	\$ 62,241,554
Provision for bad debts	(855,849)	-	-	(855,849)	-	-	-	(855,849)
Net patient and resident service revenue - Less provision for bad debts	56,016,042	5,381,178	(11,515)	61,385,705	-	-	-	61,385,705
Other revenue	1,980,241	517,952	(940,192)	1,558,001	268,126	275,125	(50,000)	2,051,252
Total revenue	57,996,283	5,899,130	(951,707)	62,943,706	268,126	275,125	(50,000)	63,436,957
Expenses								
Salaries and wages	21,448,405	2,821,428	-	24,269,833	45,030	34,040	-	24,348,903
Employee benefits	7,067,632	1,252,659	-	8,320,291	14,483	14,699	-	8,349,473
Other expenses	21,717,476	1,412,166	(951,707)	22,177,935	141,760	143,183	(50,000)	22,412,878
Interest	1,022,578	248,936	-	1,271,514	-	-	-	1,271,514
Depreciation and amortization	2,745,371	347,352	-	3,092,723	154,359	157,746	-	3,404,828
Total expenses	54,001,462	6,082,541	(951,707)	59,132,296	355,632	349,668	(50,000)	59,787,596
Income (loss) from operations	3,994,821	(183,411)	-	3,811,410	(87,506)	(74,543)	-	3,649,361
Other income (expense)								
Distribution from sponsored organization	75,000	-	-	75,000	-	-	-	75,000
Investment income (loss)	985,331	16,033	-	1,001,364	(4,934)	222	-	996,652
Loss on disposal of equipment	(6,345)	-	-	(6,345)	-	-	-	(6,345)
Loss on advance refunding	(66,222)	(170,066)	-	(236,288)	-	-	-	(236,288)
Excess (deficiency) of revenue over expenses forwarded	4,982,585	(337,444)	-	4,645,141	(92,440)	(74,321)	-	4,478,380



# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Combining Statement of Operations and Changes in Net Assets (Continued)

Year Ended September 30, 2014

	Obligated Group				Ridgeview Heights Independent Living Corporation	Ridgeview Heights Independent Living Corporation II		
	Reedsburg Area Medical Center, Inc.	Reedsburg Area Senior Life Center, Inc.	Eliminations	Total Obligated Group			Eliminations	Total
Excess (deficiency) of revenue over expenses brought forward	\$ 4,982,585	\$ (337,444)	\$ -	\$ 4,645,141	\$ (92,440)	\$ (74,321)	\$ -	\$ 4,478,380
Net assets released from restriction used for property and equipment	33,691	302	-	33,993	-	-	-	33,993
Net change in unrealized gains on investments other than trading securities	189,755	17,910	-	207,665	-	-	-	207,665
Increase (decrease) in unrestricted net assets	5,206,031	(319,232)	-	4,886,799	(92,440)	(74,321)	-	4,720,038
Temporarily restricted net assets								
Change in interest in net assets of supporting organizations	174,826	106,729	-	281,555	-	-	-	281,555
Net assets released from restrictions for property and equipment	(33,691)	(302)	-	(33,993)	-	-	-	(33,993)
Increase in temporarily restricted net assets	141,135	106,427	-	247,562	-	-	-	247,562
Increase (decrease) in net assets	5,347,166	(212,805)	-	5,134,361	(92,440)	(74,321)	-	4,967,600
Net assets (deficit) at beginning	37,746,248	704,856	-	38,451,104	(357,655)	129,900	-	38,223,349
Net assets (deficit) at end	\$ 43,093,414	\$ 492,051	\$ -	\$ 43,585,465	\$ (450,095)	\$ 55,579	\$ -	\$ 43,190,949

# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Combining Statement of Operations and Changes in Net Assets (Continued)

Year Ended September 30, 2013

	Obligated Group				Ridgeview Heights Independent Living Corporation	Ridgeview Heights Independent Living Corporation II	Eliminations	Total
	Reedsburg Area Medical Center, Inc.	Reedsburg Area Senior Life Center, Inc.	Eliminations	Total Obligated Group				
Unrestricted net assets								
Revenue								
Patient and resident service revenue - Net of contractual adjustments and discounts	\$ 45,685,867	\$ 5,394,531	\$ (6,187)	\$ 51,074,211	\$ -	\$ -	\$ -	\$ 51,074,211
Provision for bad debts	(1,384,499)	-	-	(1,384,499)	-	-	-	(1,384,499)
Net patient and resident service revenue - Less provision for bad debts	44,301,368	5,394,531	(6,187)	49,689,712	-	-	-	49,689,712
Other revenue	1,812,925	453,438	(971,756)	1,294,607	230,045	268,788	(3,785)	1,789,655
Total revenue	46,114,293	5,847,969	(977,943)	50,984,319	230,045	268,788	(3,785)	51,479,367
Expenses								
Salaries and wages	18,869,318	2,743,626	-	21,612,944	44,370	39,999	-	21,697,313
Employee benefits	6,111,411	1,178,372	-	7,289,783	13,208	9,963	-	7,312,954
Other expenses	16,131,451	1,393,312	(977,943)	16,546,820	114,339	113,686	(3,785)	16,771,060
Interest	1,019,753	183,191	-	1,202,944	-	-	-	1,202,944
Depreciation and amortization	2,629,766	361,290	-	2,991,056	143,450	156,826	-	3,291,332
Total expenses	44,761,699	5,859,791	(977,943)	49,643,547	315,367	320,474	(3,785)	50,275,603
Income (loss) from operations	1,352,594	(11,822)	-	1,340,772	(85,322)	(51,686)	-	1,203,764
Other income (expense)								
Investment income	1,160,868	17,027	-	1,177,895	2,342	615	-	1,180,852
Gain (loss) on disposal of equipment	(10,180)	-	-	(10,180)	-	-	-	(10,180)
Other	(77,419)	-	-	(77,419)	-	-	-	(77,419)
Excess (deficiency) of revenue over expenses forwarded	2,425,863	5,205	-	2,431,068	(82,980)	(51,071)	-	2,297,017

# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Combining Statement of Operations and Changes in Net Assets (Continued)

Year Ended September 30, 2013

	Obligated Group				Ridgeview Heights Independent Living Corporation	Ridgeview Heights Independent Living Corporation II	Eliminations	Total
	Reedsburg Area Medical Center, Inc.	Reedsburg Area Senior Life Center, Inc.	Eliminations	Total Obligated Group				
Excess (deficiency) of revenue over expenses brought forward	\$ 2,425,863	\$ 5,205	\$ -	\$ 2,431,068	\$ (82,980)	\$ (51,071)	\$ -	\$ 2,297,017
Net assets released from restriction used for property and equipment	3,177	-	-	3,177	-	-	-	3,177
Net change in unrealized gains and losses on investments other than trading securities	(313,218)	21,774	-	(291,444)	-	-	-	(291,444)
Increase (decrease) in unrestricted net assets	2,115,822	26,979	-	2,142,801	(82,980)	(51,071)	-	2,008,750
Temporarily restricted net assets								
Change in interest in net assets of supporting organizations	170,804	133,195	-	303,999	-	-	-	303,999
Net assets released from restrictions for property and equipment	(3,177)	-	-	(3,177)	-	-	-	(3,177)
Increase in temporarily restricted net assets	167,627	133,195	-	300,822	-	-	-	300,822
Increase (decrease) in net assets	2,283,449	160,174	-	2,443,623	(82,980)	(51,071)	-	2,309,572
Net assets (deficit) at beginning	35,462,799	544,682	-	36,007,481	(274,675)	180,971	-	35,913,777
Net assets (deficit) at end	\$ 37,746,248	\$ 704,856	\$ -	\$ 38,451,104	\$ (357,655)	\$ 129,900	\$ -	\$ 38,223,349

## Supplementary Information – Combining Financial Statements

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# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Combining Balance Sheet

September 30, 2014

<i>Assets</i>	Reedsburg Area Life Center, LLC				Total Reedsburg Area Life Center, LLC	Reedsburg Area Medical Center, Inc.	Eliminations	Total
	Reedsburg Area Senior Life Center, Inc.	Ridgeview Heights Independent Living Corporation	Ridgeview Heights Independent Living Corporation II	Eliminations				
Current assets								
Cash and cash equivalents	\$ 871,323	\$ 335,259	\$ 101,771	\$ -	\$ 1,308,353	\$ 4,819,577	\$ -	\$ 6,127,930
Assets limited as to use	-	-	-	-	-	589,364	-	589,364
Short-term investments	681,303	591,629	-	-	1,272,932	14,237,641	-	15,510,573
Patient and resident accounts receivable - Net	301,047	-	-	-	301,047	10,124,221	-	10,425,268
Other accounts receivable	-	57,787	-	(57,787)	-	1,386,767	(1,386,767)	-
Inventories	-	-	-	-	-	1,542,039	-	1,542,039
Amounts receivable from third-party reimbursement programs	-	-	-	-	-	106,091	-	106,091
Other current assets	27,852	7,533	6,329	-	41,714	759,873	-	801,587
Total current assets	1,881,525	992,208	108,100	(57,787)	2,924,046	33,565,573	(1,386,767)	35,102,852
Investments	912,291	403,161	-	-	1,315,452	2,732,764	-	4,048,216
Assets limited as to use - Net of amounts required to meet current obligations	-	-	-	-	-	4,441,749	-	4,441,749
Property and equipment - Net	8,957,874	2,383,854	4,268,692	-	15,610,420	27,010,094	-	42,620,514
Other assets								
Interest in net assets of supporting organizations	949,624	-	-	-	949,624	1,503,041	-	2,452,665
Note receivable	-	-	-	-	-	95,303	-	95,303
Debt issuance costs	55,290	-	-	-	55,290	238,949	-	294,239
Deferred compensation plan assets	-	-	-	-	-	1,177,521	-	1,177,521
Goodwill	-	-	-	-	-	242,000	-	242,000
Total other assets	1,004,914	-	-	-	1,004,914	3,256,814	-	4,261,728
<b>TOTAL ASSETS</b>	<b>\$ 12,756,604</b>	<b>\$ 3,779,223</b>	<b>\$ 4,376,792</b>	<b>\$ (57,787)</b>	<b>\$ 20,854,832</b>	<b>\$ 71,006,994</b>	<b>\$ (1,386,767)</b>	<b>\$ 90,475,059</b>

# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Combining Balance Sheet (Continued)

September 30, 2014

<i>Liabilities and Net Assets (Deficit)</i>	Reedsburg Area Life Center, LLC				Total Reedsburg Area Life Center, LLC	Reedsburg Area Medical Center, Inc.	Eliminations	Total
	Reedsburg Area Senior Life Center, Inc.	Ridgeview Heights Independent Living Corporation	Ridgeview Heights Independent Living Corporation II	Eliminations				
Current liabilities								
Current portion of long-term debt and capital lease obligations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,553,421	\$ -	\$ 1,553,421
Accounts payable - Trade	53,460	28,867	47,670	-	129,997	2,115,874	-	2,245,871
Accounts payable - Other	1,356,745	16,512	71,297	(57,787)	1,386,767	-	(1,386,767)	-
Accrued payroll and payroll taxes	2,091	-	-	-	2,091	1,856,877	-	1,858,968
Accrued vacation	222,134	-	-	-	222,134	2,311,208	-	2,533,342
Accrued medical claims payable	103,737	-	-	-	103,737	696,263	-	800,000
Accrued interest	-	-	-	-	-	284,406	-	284,406
Other current liabilities	24,141	-	-	-	24,141	141,798	-	165,939
Total current liabilities	1,762,308	45,379	118,967	(57,787)	1,868,867	8,959,847	(1,386,767)	9,441,947
Long-term liabilities								
Deferred compensation	-	-	-	-	-	1,215,564	-	1,215,564
Resident deposits	-	4,183,939	4,202,246	-	8,386,185	-	-	8,386,185
Long-term debt and capital lease obligations - Less current portion	10,502,245	-	-	-	10,502,245	17,738,169	-	28,240,414
Total long-term liabilities	10,502,245	4,183,939	4,202,246	-	18,888,430	18,953,733	-	37,842,163
Total liabilities	12,264,553	4,229,318	4,321,213	(57,787)	20,757,297	27,913,580	(1,386,767)	47,284,110
Net assets (deficit)								
Unrestricted	(457,573)	(450,095)	55,579	-	(852,089)	41,587,356	-	40,735,267
Temporarily restricted	949,624	-	-	-	949,624	1,506,058	-	2,455,682
Total net assets (deficit)	492,051	(450,095)	55,579	-	97,535	43,093,414	-	43,190,949
<b>TOTAL LIABILITIES AND NET ASSETS (DEFICIT)</b>	<b>\$ 12,756,604</b>	<b>\$ 3,779,223</b>	<b>\$ 4,376,792</b>	<b>\$ (57,787)</b>	<b>\$ 20,854,832</b>	<b>\$ 71,006,994</b>	<b>\$ (1,386,767)</b>	<b>\$ 90,475,059</b>

# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Combining Balance Sheet (Continued)

September 30, 2013

<i>Assets</i>	Reedsburg Area Life Center, LLC				Total Reedsburg Area Life Center, LLC	Reedsburg Area Medical Center, Inc.	Eliminations	Total
	Reedsburg Area Senior Life Center, Inc.	Ridgeview Heights Independent Living Corporation	Ridgeview Heights Independent Living Corporation II	Eliminations				
Current assets								
Cash and cash equivalents	\$ 470,657	\$ 568,268	\$ 180,282	\$ -	\$ 1,219,207	\$ 5,437,229	\$ -	\$ 6,656,436
Assets limited as to use	-	-	-	-	-	565,890	-	565,890
Short-term investments	552,753	282,898	96,591	-	932,242	11,234,282	-	12,166,524
Patient and resident accounts receivable - Net	396,532	-	-	-	396,532	6,890,425	-	7,286,957
Other accounts receivable	-	194,138	-	(194,138)	-	531,976	(531,976)	-
Inventories	-	-	-	-	-	1,531,572	-	1,531,572
Amounts receivable from third-party reimbursement programs	-	-	-	-	-	595,454	-	595,454
Other current assets	37,092	6,904	5,651	-	49,647	692,258	-	741,905
Total current assets	1,457,034	1,052,208	282,524	(194,138)	2,597,628	27,479,086	(531,976)	29,544,738
Investments	507,787	-	-	-	507,787	2,443,421	-	2,951,208
Assets limited as to use - Net of amounts required to meet current obligations	-	-	-	-	-	4,288,133	-	4,288,133
Property and equipment - Net	9,252,420	2,369,425	4,380,864	-	16,002,709	27,755,759	-	43,758,468
Other assets								
Interest in net assets of supporting organizations	843,197	-	-	-	843,197	1,361,906	-	2,205,103
Note receivable	-	-	-	-	-	96,946	-	96,946
Debt issuance costs	175,579	-	-	-	175,579	308,044	-	483,623
Deferred compensation plan assets	-	-	-	-	-	1,117,136	-	1,117,136
Other	-	-	-	-	-	286,504	-	286,504
Total other assets	1,018,776	-	-	-	1,018,776	3,170,536	-	4,189,312
<b>TOTAL ASSETS</b>	<b>\$ 12,236,017</b>	<b>\$ 3,421,633</b>	<b>\$ 4,663,388</b>	<b>\$ (194,138)</b>	<b>\$ 20,126,900</b>	<b>\$ 65,136,935</b>	<b>\$ (531,976)</b>	<b>\$ 84,731,859</b>

# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Combining Balance Sheet (Continued)

September 30, 2013

<i>Liabilities and Net Assets (Deficit)</i>	Reedsburg Area Life Center, LLC				Total Reedsburg Area Life Center, LLC	Reedsburg Area Medical Center, Inc.	Eliminations	Total
	Reedsburg Area Senior Life Center, Inc.	Ridgeview Heights Independent Living Corporation	Ridgeview Heights Independent Living Corporation II	Eliminations				
Current liabilities								
Current portion of long-term debt and capital lease obligations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,298,486	\$ -	\$ 1,298,486
Accounts payable - Trade	35,717	46,034	50,140	-	131,891	1,543,614	(51,555)	1,623,950
Accounts payable - Other	480,411	10	194,138	(194,138)	480,421	-	(480,421)	-
Accrued payroll and payroll taxes	1,395	-	-	-	1,395	1,175,946	-	1,177,341
Accrued vacation	199,838	-	-	-	199,838	2,006,387	-	2,206,225
Accrued medical claims payable	65,100	-	-	-	65,100	462,620	-	527,720
Accrued interest	-	-	-	-	-	267,955	-	267,955
Other current liabilities	22,000	-	-	-	22,000	317,816	-	339,816
<b>Total current liabilities</b>	<b>804,461</b>	<b>46,044</b>	<b>244,278</b>	<b>(194,138)</b>	<b>900,645</b>	<b>7,072,824</b>	<b>(531,976)</b>	<b>7,441,493</b>
Long-term liabilities								
Deferred compensation	-	-	-	-	-	1,179,356	-	1,179,356
Resident deposits	-	3,733,244	4,289,210	-	8,022,454	-	-	8,022,454
Long-term debt and capital lease obligations - Less current portion	10,726,700	-	-	-	10,726,700	19,138,507	-	29,865,207
<b>Total long-term liabilities</b>	<b>10,726,700</b>	<b>3,733,244</b>	<b>4,289,210</b>	<b>-</b>	<b>18,749,154</b>	<b>20,317,863</b>	<b>-</b>	<b>39,067,017</b>
<b>Total liabilities</b>	<b>11,531,161</b>	<b>3,779,288</b>	<b>4,533,488</b>	<b>(194,138)</b>	<b>19,649,799</b>	<b>27,390,687</b>	<b>(531,976)</b>	<b>46,508,510</b>
Net assets (deficit)								
Unrestricted	(138,341)	(357,655)	129,900	-	(366,096)	36,381,325	-	36,015,229
Temporarily restricted	843,197	-	-	-	843,197	1,364,923	-	2,208,120
<b>Total net assets (deficit)</b>	<b>704,856</b>	<b>(357,655)</b>	<b>129,900</b>	<b>-</b>	<b>477,101</b>	<b>37,746,248</b>	<b>-</b>	<b>38,223,349</b>
<b>TOTAL LIABILITIES AND NET ASSETS (DEFICIT)</b>	<b>\$ 12,236,017</b>	<b>\$ 3,421,633</b>	<b>\$ 4,663,388</b>	<b>\$ (194,138)</b>	<b>\$ 20,126,900</b>	<b>\$ 65,136,935</b>	<b>\$ (531,976)</b>	<b>\$ 84,731,859</b>



# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Combining Statement of Operations and Changes in Net Assets

Year Ended September 30, 2014

	Reedsburg Area Life Center, LLC							
	Reedsburg Area Senior Life Center, Inc.	Ridgeview Heights Independent Living Corporation	Ridgeview Heights Independent Living Corporation II	Eliminations	Total Reedsburg Area Life Center, LLC	Reedsburg Area Medical Center, Inc.	Eliminations	Total
Unrestricted net assets								
Revenue								
Patient and resident service revenue - Net of contractual adjustments and discounts	\$ 5,381,178	\$ -	\$ -	\$ -	\$ 5,381,178	\$ 56,871,891	\$ (11,515)	\$ 62,241,554
Provision for bad debts	-	-	-	-	-	(855,849)		(855,849)
Net patient and resident service revenue - Less provision for bad debts	5,381,178	-	-	-	5,381,178	56,016,042	(11,515)	61,385,705
Other revenue	517,952	268,126	275,125	(50,000)	1,011,203	1,980,241	(940,192)	2,051,252
Total revenue	5,899,130	268,126	275,125	(50,000)	6,392,381	57,996,283	(951,707)	63,436,957
Expenses								
Salaries and wages	2,821,428	45,030	34,040	-	2,900,498	21,448,405	-	24,348,903
Employee benefits	1,252,659	14,483	14,699	-	1,281,841	7,067,632	-	8,349,473
Other expenses	1,412,166	141,760	143,183	(50,000)	1,647,109	21,717,476	(951,707)	22,412,878
Interest	248,936	-	-	-	248,936	1,022,578	-	1,271,514
Depreciation and amortization	347,352	154,359	157,746	-	659,457	2,745,371	-	3,404,828
Total expenses	6,082,541	355,632	349,668	(50,000)	6,737,841	54,001,462	(951,707)	59,787,596
Income (loss) from operations	(183,411)	(87,506)	(74,543)	-	(345,460)	3,994,821	-	3,649,361
Other income (expense)								
Distribution from sponsored organization	-	-	-	-	-	75,000	-	75,000
Investment income (loss)	16,033	(4,934)	222	-	11,321	985,331	-	996,652
Loss on disposal of equipment	-	-	-	-	-	(6,345)	-	(6,345)
Loss on advance refunding	(170,066)	-	-	-	(170,066)	(66,222)	-	(236,288)
Excess (deficiency) of revenue over expenses forwarded	(337,444)	(92,440)	(74,321)	-	(504,205)	4,982,585	-	4,478,380

# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Combining Statement of Operations and Changes in Net Assets (Continued)

Year Ended September 30, 2014

	Reedsburg Area Life Center, LLC							
	Reedsburg Area Senior Life Center, Inc.	Ridgeview Heights Independent Living Corporation	Ridgeview Heights Independent Living Corporation II	Eliminations	Total Reedsburg Area Life Center, LLC	Reedsburg Area Medical Center, Inc.	Eliminations	Total
Excess (deficiency) of revenue over expenses brought forward	\$ (337,444)	\$ (92,440)	\$ (74,321)	\$ -	\$ (504,205)	\$ 4,982,585	\$ -	\$ 4,478,380
Net assets released from restriction used for property and equipment	302	-	-	-	302	33,691	-	33,993
Net change in unrealized gains on investments other than trading securities	17,910	-	-	-	17,910	189,755	-	207,665
Increase (decrease) in unrestricted net assets	(319,232)	(92,440)	(74,321)	-	(485,993)	5,206,031	-	4,720,038
Temporarily restricted net assets								
Change in interest in net assets of supporting organizations	106,729	-	-	-	106,729	174,826	-	281,555
Net assets released from restrictions for property and equipment	(302)	-	-	-	(302)	(33,691)	-	(33,993)
Increase in temporarily restricted net assets	106,427	-	-	-	106,427	141,135	-	247,562
Increase (decrease) in net assets	(212,805)	(92,440)	(74,321)	-	(379,566)	5,347,166	-	4,967,600
Net assets (deficit) at beginning	704,856	(357,655)	129,900	-	477,101	37,746,248	-	38,223,349
Net assets (deficit) at end	\$ 492,051	\$ (450,095)	\$ 55,579	\$ -	\$ 97,535	\$ 43,093,414	\$ -	\$ 43,190,949

# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Combining Statement of Operations and Changes in Net Assets (Continued)

Year Ended September 30, 2013

	Reedsburg Area Life Center, LLC							
	Reedsburg Area Senior Life Center, Inc.	Ridgeview Heights Independent Living Corporation	Ridgeview Heights Independent Living Corporation II	Eliminations	Total Reedsburg Area Life Center, LLC	Reedsburg Area Medical Center, Inc.	Eliminations	Total
Unrestricted net assets								
Revenue								
Patient and resident service revenue - Net of contractual adjustments and discounts	\$ 5,394,531	\$ -	\$ -	\$ -	\$ 5,394,531	\$ 45,685,867	\$ (6,187)	\$ 51,074,211
Provision for bad debts	-	-	-	-	-	(1,384,499)	-	(1,384,499)
Net patient and resident service revenue - Less provision for bad debts	5,394,531	-	-	-	5,394,531	44,301,368	(6,187)	49,689,712
Other revenue	453,438	230,045	268,788	-	952,271	1,812,925	(975,541)	1,789,655
Total revenue	5,847,969	230,045	268,788	-	6,346,802	46,114,293	(981,728)	51,479,367
Expenses								
Salaries and wages	2,743,626	44,370	39,999	-	2,827,995	18,869,318	-	21,697,313
Employee benefits	1,178,372	13,208	9,963	-	1,201,543	6,111,411	-	7,312,954
Other expenses	1,393,312	114,339	113,686	-	1,621,337	16,131,451	(981,728)	16,771,060
Interest	183,191	-	-	-	183,191	1,019,753	-	1,202,944
Depreciation and amortization	361,290	143,450	156,826	-	661,566	2,629,766	-	3,291,332
Total expenses	5,859,791	315,367	320,474	-	6,495,632	44,761,699	(981,728)	50,275,603
Income (loss) from operations	(11,822)	(85,322)	(51,686)	-	(148,830)	1,352,594	-	1,203,764
Other income (expense)								
Investment income	17,027	2,342	615	-	19,984	1,160,868	-	1,180,852
Loss on disposal of equipment	-	-	-	-	-	(10,180)	-	(10,180)
Other	-	-	-	-	-	(77,419)	-	(77,419)
Excess (deficiency) of revenue over expenses forwarded	5,205	(82,980)	(51,071)	-	(128,846)	2,425,863	-	2,297,017

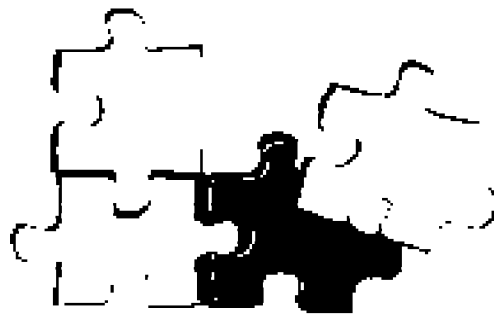
# Reedsburg Area Medical Center, Inc. and Reedsburg Area Life Center, LLC and Affiliates

## Combining Statement of Operations and Changes in Net Assets (Continued)

Year Ended September 30, 2013

	Reedsburg Area Life Center, LLC							
	Reedsburg Area Senior Life Center, Inc.	Ridgeview Heights Independent Living Corporation	Ridgeview Heights Independent Living Corporation II	Eliminations	Total Reedsburg Area Life Center, LLC	Reedsburg Area Medical Center, Inc.	Eliminations	Total
Excess (deficiency) of revenue over expenses brought forward	\$ 5,205	\$ (82,980)	\$ (51,071)	\$ -	\$ (128,846)	\$ 2,425,863	\$ -	\$ 2,297,017
Net assets released from restriction used for property and equipment	-	-	-	-	-	3,177	-	3,177
Net change in unrealized gains and losses on investments other than trading securities	21,774	-	-	-	21,774	(313,218)	-	(291,444)
Increase (decrease) in unrestricted net assets	26,979	(82,980)	(51,071)	-	(107,072)	2,115,822	-	2,008,750
Temporarily restricted net assets								
Change in interest in net assets of supporting organizations	133,195	-	-	-	133,195	170,804	-	303,999
Net assets released from restrictions for property and equipment	-	-	-	-	-	(3,177)	-	(3,177)
Increase in temporarily restricted net assets	133,195	-	-	-	133,195	167,627	-	300,822
Increase (decrease) in net assets	160,174	(82,980)	(51,071)	-	26,123	2,283,449	-	2,309,572
Net assets (deficit) at beginning	544,682	(274,675)	180,971	-	450,978	35,462,799	-	35,913,777
Net assets (deficit) at end	\$ 704,856	\$ (357,655)	\$ 129,900	\$ -	\$ 477,101	\$ 37,746,248	\$ -	\$ 38,223,349

# **Community Health Needs Assessment for Reedsburg Area Medical Center 2013**



# Table of Contents

<b>Acknowledgements</b>	3
<b>Introduction</b>	4-9
■ Purpose/Process	4
■ Assess Needs & Resources	5
■ Data Review	6-9
✧ Wisconsin County Health Rankings	6-8
✧ Other Data Analysis	9
<b>Key Findings</b>	10-13
■ Demographics	10-12
■ Focus Group & Interview Results	12-13
■ Other Findings	13-16
■ Nat'l Survey of Drug Use & Health	14-15
<b>Summary Key Findings</b>	17
<b>Prioritize Strategic Issues</b>	18
<b>Action: Community Health Improvement Plan</b>	19-25
■ Childhood Obesity	19-21
■ Drug & Alcohol Abuse & Treatment	22-24
■ Community Communication	25
<b>Resources</b>	26-27

# Acknowledgements

## **Needs Assessment conducted in collaboration with these community partners:**

Sauk County Public Health Department  
UW-Cooperative Extension, Sauk County  
Sauk County Planning and Zoning  
Wisconsin Department of Health Services, Division of Public Health- Southern Regional Office  
Goodman Behavioral Health  
Reedsburg Area Senior Life Center  
Sauk County Aging & Disability Resource Center  
Reedsburg School District  
Home Health United  
Safe Harbor Homeless Shelter  
Reedsburg Chamber of Commerce  
Seats, Inc.  
Snap Fitness  
Shock Body Fitness  
Wormfarm Institute  
Reedsburg Physicians Group  
State House of Representative  
University of Wisconsin-Baraboo/Sauk County  
Reedsburg Independent  
Touch of Health Massage  
Reedsburg Ambulance Service  
Lands' End  
North Freedom Fire Department  
Kincaid Chiropractic  
Viking Village, Inc.  
Scott Construction  
Sacred Heart Catholic Church  
Grede Foundries  
Harris Bank  
Creative Motion Dance  
Blue Heron  
Villari's Fitness

# Introduction

## Purpose

Health is everyone's business. It enhances our individual quality of life and it impacts educational attainment, worksite productivity and costs, and the economy in general. Maintaining and improving health status can have a significant impact on a community. People from many types of organizations care about and are invested in improving the health of their communities. While each may have a different organizational mission and even different reasons for addressing health improvement, they share the same goal: making their community a healthy place to live, learn, work and play.

There are several purposes for doing a community health needs assessment:

- 1) With the passage of the Patient Protection and Affordable Care Act (ACA), IRS Code 501(r)(3) now requires all non-profit hospitals submit a Community Health Needs Assessment (CHNA) every three years starting for the fiscal year of 2012. RAMC's CHNA is due October 1 of 2013 and is to be submitted as part of the IRS Form 990. Briefly, a CHNA entails collecting demographic and health statistics of the community, presenting this data to community leaders/organizations/ members, identifying & prioritizing community health needs, drafting a strategic plan to address the targeted needs of the community and finally, implementing this plan.
- 2) To provide current information on the population health status that provides the foundation for the identification and prioritization of local health-related issues and the development of a local health improvement plan.
- 3) To create a process to encourage public and community input into the population health needs and the use of available resources.

## Process

In 2010, the Wisconsin County Health Rankings reported Sauk County as 40<sup>th</sup> for health outcomes and 33<sup>rd</sup> for health risk factors out of 72 counties. This county ranking, along with the concern of community stakeholders generated interest in completing a needs assessment. A focus group of state and local partners and stakeholders worked together to begin the process of improving the health status of the Reedsburg community.

Guided by Reedsburg Area Medical Center (RAMC), a community team was formed, entitled the Reedsburg Area Community HEALTH (Helping Everyone Achieve Lifelong Total Health) Team. This team committed to meet on a regular basis, and was represented by community leaders such as Sauk County Public Health Department, UW-Cooperative Extension of Sauk County, the Reedsburg School District, and numerous other community partners. The goal of this committee was to identify methods to improve the health of community residents and to encourage the stakeholders to become active participants in the Community Health Improvement Plan.

Using the Wisconsin CHIPP Infrastructure Improvement Project process steps, the following pages describe the purpose and scope of the CHNA, and the data and findings used to select our health improvement priorities. We also chose to align our CHNA process with the one used by the Sauk County Public Health Department.



## **Assess Needs & Resources**

After the forming of this collaborative partnership, we took stock of our community's needs, resources, strengths and assets. This allowed us to better understand what helps as well as what hinders our progress towards improving our community's health. This included defining our community geographically, then focusing on the factors that shape it including disparities among various groups in the community.

- Health Needs Assessment Surveys were conducted with approximately 800 area residents participating via paper or online method: Individuals participated from a variety of professions including hospital, schools, law enforcement, mental health, environmental health, businesses, public health, disability and aging advocates, abuse victim advocates and long term care providers.

## **Demographics**

- US Census Bureau
- Wisconsin Department of Workforce Development
  - Office of Economic Advisors
  - Bureau of Workforce Information
  - Division of Workforce Solutions

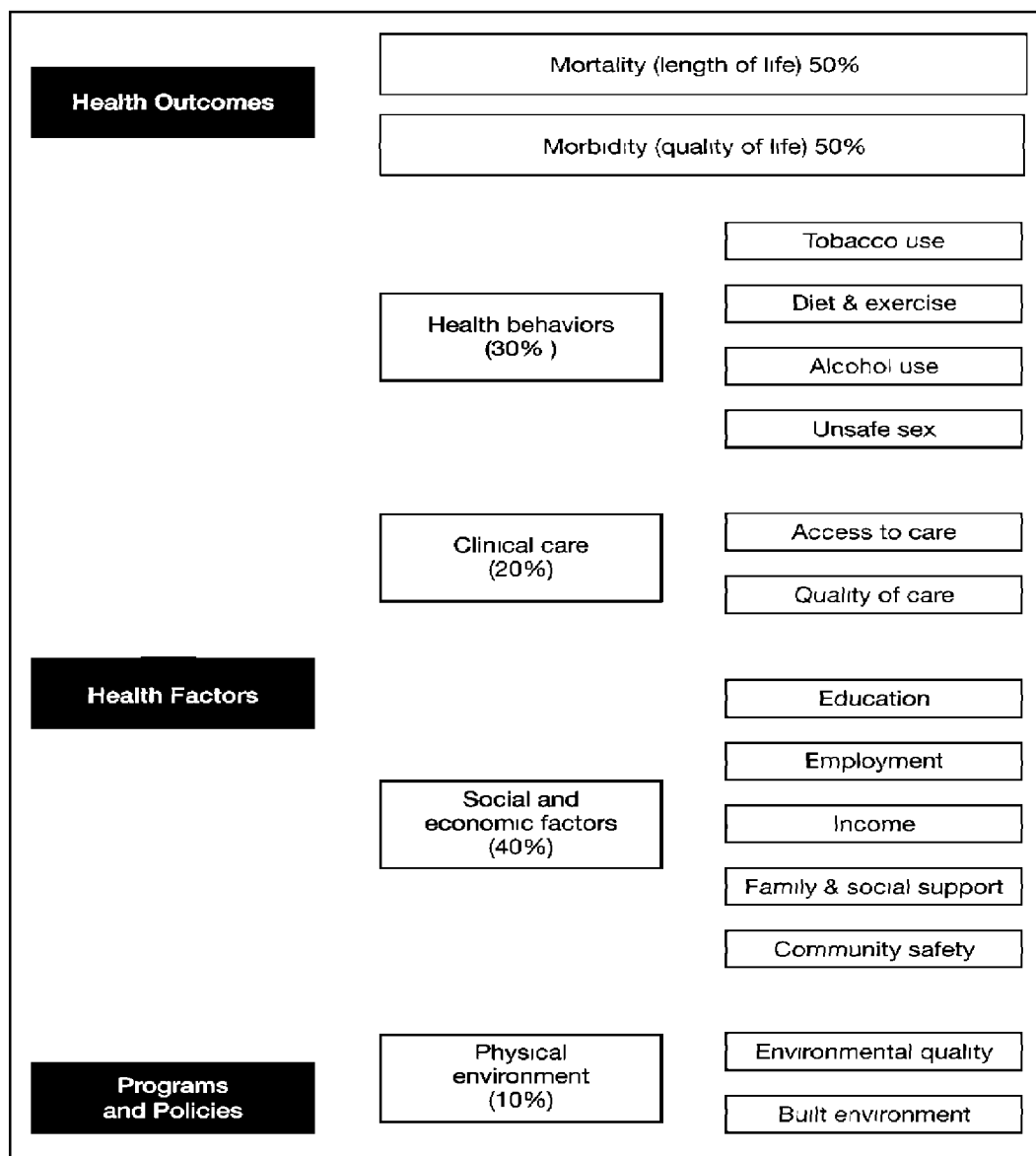
## **Health statistics were collected from the following sites:**

- Wisconsin Department of Health Services, Division of Quality Assurance
- Wisconsin Hospital Association Information Center
- Wisconsin Department of Health Services , Division of Public Health,
  - Bureau of Environmental Health Services and Occupational Health
  - Wisconsin AIDS/HIV program
  - Sexually Transmitted Diseases Program
  - Bureau of Communicable Disease and Emergency Response
  - Bureau of Long Term Support, Division of Long Term Care
  - Vital Records
  - Oral Health
  - Tobacco Program
  - Women, Infants and Children
- Health Care Information Section
- Forward Health
- America's Health Rankings
- Wisconsin County Health Rankings
- Centers for Disease Control
- University of Wisconsin Cooperative Extension
- Central WI Community Health Action Council

## Wisconsin County Health Rankings

The Wisconsin County Health Rankings Report from the University of Wisconsin-School of Medicine and Public Health was the foundation for the data collection and analysis for RAMC's Community Health Needs Assessment. This chart depicts the theoretical framework of the Wisconsin Health Rankings.

Based on this framework, the UW Population Health Institute developed a snapshot for each county. The 2010 Sauk County Health Snapshot is included on the following page.



## 2011 Sauk County Health Outcomes and Health Factors Snapshot

### Sauk County & Wisconsin Health Rankings

	Sauk County	Error Margin	Target Value*	Wisconsin	Rank (of 72)
Mortality					41
Premature death	6378	5652-7104	4943	6172	
Poor or fair health	12%	2 2-3 9-16%	9%	12 %	
Poor physical health days	3 1	2 2-3 9	2 5	3 3	
Poor mental health days	2 7	1 9-3 5	2 1	3 1	
Low birth weight	6 20%	5 5-6 8%	5 20%	6 80%	
Adult smoking	21%	16-28%	16%	21%	
Adult obesity	29%	24-34%	24%	25%	
Binge drinking	26%	20-32%	16%	23%	
Motor vehicle crash death rate	19	15-24	12	16	
Chlamydia rate	184		73	352	
Teen birth rate	36	32-39	17	32	
Smoking during pregnancy	21%	20-23%	11%	14%	
Motor vehicle crash occupancy rate	55		27	53	
Motor vehicle crash-related ER visits (on road)	671	633-709	380	714	
Motor vehicle crash-related ER visits (off road)	107	92-122	74	90	
Uninsured adults	10%	8-11%	9%	10%	
Primary care provider rate	165		182	134	
Preventable hospital stays	64	60-68	51-63		
Diabetic screening	86%	83-89%	91%	88%	
Hospice use	13%	10-18%	34%	29%	
No recent dental visit	25%	21-29%	20%	25%	
Did not get needed health care	1%	0-2%	1%	2%	
Social and Economic Factors					30
High School Graduation	93%		98%	88%	
College degrees	20%	18-22%	26%	25%	
Unemployment	5%	5-5%	4%	5%	
Children in poverty	12%	10-14%	9%	15%	
Income inequality	39		38	42	
Inadequate social support	19%	13-27%	12%	17%	
Single-parent households	9%	8-11%	6%	9%	
Violent crime rate	155		54	272	
Air pollution-particulate matter days	2		0	2	
Air pollution-ozone days	4		0	4	
Access to healthy foods	53%		63%	46%	
Liquor store density	0 9			0 8	
Additional Measures					
Lead poisoned children	1%	0-2%	0%	2%	
Municipal water	63%		75%	71%	
Contaminants in municipal water	47%		0%	57%	

\* 90th percentile, (i.e., only 10% are better)

Note: Blank values reflect unreliable or missing data

**County Health Ranking and Roadmaps 2012**  
 (Yellow highlighted fields indicate worse than state average;  
 blue text are additional measures not included in rank)

	Sauk County	Sauk Rank (of 72)	Columbia County	Col. Rank (of 72)	Natl Benchmk*	WI
<b>Health Factors</b>		37		35		
<b>Health Behaviors</b>		40		59		
Adult smoking	19%		22%		14%	20%
Smoking during pregnancy	23%		18%			14%
Adult obesity	30%		31%		25%	29%
Physical inactivity	24%		27%		21%	23%
Excessive drinking	26%		29%		8%	24%
Motor vehicle crash death rate	19		24		12	15
Sexually transmitted infections	203		170		84	372
Teen birth rate	35		23		22	31

### Health Outcomes

The summary health outcomes ranking in the Wisconsin County Profiles is based on two components.

1. **Mortality** is a measurement of premature death. It is measured in years of potential life lost (YPLL) prior to age 75. YPLL accounts for the age at which a person dies. The younger a person dies, the more potential years of life are lost. This measure is age-adjusted and calculated as a rate per 100,000 population.
2. **General health status** is a measure of self-reported health. The measure that is reported in the Wisconsin Health Rankings is the percent of a population surveyed that report fair or poor health.

### Mortality

- Years of potential life lost (YPLL) is not just a result of aging.
  - Sauk County had 573 deaths in 2011.
  - The YPLL in Sauk County was 6,378 per 100,000 people.

### General Health Status

- Percentage of individuals reporting poor or fair health in the last 30 days is 12%.
- Average number of individuals in the last 30 days reporting poor physical health days is 3.1%.
- Average number of individuals in the last 30 days reporting poor mental health days is 2.7%.
- The suicide rate is 10.7 per 100,000.
- Percent of live births with low birth weight (<2500 grams / 5.5 lbs) is 6.2%.

### **Health Determinants**

The health determinants in the Wisconsin County Profiles are based on four major components:

1. **Health Care** is a measure of access and whether people are receiving recommended services.
2. **Health Behaviors** refer to healthy lifestyles and personal health decisions such as tobacco use, smoking during pregnancy, physical inactivity, obesity, nutrition, alcohol use, motor-vehicle crashes, intentional/unintentional injuries, teen-birth rate, and violent crime.
3. **Socioeconomic Factors** impact health and health behaviors. These factors include unemployment, household income, self-sufficiency wages, labor force participation, education, divorce, and poverty. Socioeconomic status is a strong indicator of health and impacts health behavior risk factors such as smoking, drinking alcohol, physical inactivity, and obesity.
4. **Physical Environment** measures air and water quality and other environmental factors.

### **Other Data Analysis**

The HEALTH Team used the County Health Rankings, data from the afore-mentioned sites, as well as first hand knowledge of their community, including personal experiences & interactions in order to:

- Identify individual community strengths and opportunities that have potential for improving the health of Reedsburg residents by health topic areas.
- Examine specific components of the WI County Health Rankings data and Sauk County data and compare it to our findings.
- Identify community assets already in place to address health-related issues.
- Compare Reedsburg to County Health Rankings and Healthiest Wisconsin 2020 : Everyone Living Better, Longer.
- Review statistical data from State and Federal sources pertaining to our community.

# Key Findings

## Demographic Profile-US Census Bureau 2011

### **Sauk County**

- The population estimate for Sauk County was 58,922, a 7% increase from 2000.
- Persons under 18 years of age represent 23% of the total population, while persons 65 years and older represent 15%.
- 97% of the county's population was White, while less than 1% was Black and almost 3% Hispanic.
- Almost 84% of persons age 25 and older are high school graduates, while almost 18% of persons age 25 and older have received a bachelor's degree or higher.
- The poverty rate for Sauk County was 8%.
- Average household income was \$ 52, 175.
- The annual birth rate was between 750 to 800, while low birth weight infants account for 40-70 of the total births, a rate of 5.9%
- Lower per capita and median household income in Sauk County than Wisconsin

### **RAMC Service Area**

- The population estimate for Reedsburg was 9,437, a 1.9% increase from 2010.
- Persons under 18 years of age represent 27% of the total population, while persons 65 years and older represent 14.9%.
- 95.3% of the city's population was White, while less than 1% was Black and almost 4.3% was Hispanic.
- Almost 89.1% of persons age 25 and older are high school graduates, in line with the county & state statistics.
- Only 14.1% of persons age 25 and older have received a bachelor's degree or higher, compared to Sauk's rate of 20% and Wisconsin's rate of 26%.
- The poverty rate was 11.6%, a bit higher than Sauk's rate of 8%, yet in line with WI at 12%.
- Average household income is \$ 42,813, again below the county & state average.
- More than 40 % of students in the Reedsburg/LaValle (53959) and Cazenovia (53924) zip codes are eligible to receive free/reduced-cost lunch. Despite lower poverty rates county-wide, the numbers of students eligible for the free or reduced-cost lunch program reveal pockets of poverty.

### **Health Care**

- Primary health care services and facilities (e.g. hospital, clinics, and pharmacies) are well dispersed throughout Sauk County. There are three local hospitals and approximately 15 medical clinics.
- Preventable hospitalization rate is 64 per 1000 of Medicare enrollees. Preventable hospitalizations are hospitalizations for conditions where timely and effective ambulatory care can reduce the likelihood of hospitalization.
- Ten percent of adult residents are uninsured.
- No recent dental visit is the percent of population (age+2) that did not have a dental visit in the past year. Sauk County's rate was 25%
- In the total Medicaid population of 8,779, only 19.8% of these individuals obtained dental services in 2008.
- The prevalence of diabetes in Sauk County is 9.4% and 16.3% of hospitalizations were related to diabetes.

### **Health Behaviors**

- Twenty one percent (21%) of mothers smoke during pregnancy in Sauk County. WI's rate is 14%.
- Chlamydia rate is 184 per 100,000.
- 20% of adults report eating the recommended 5 or more servings daily of fruits and vegetables.
- The adult obesity rate is 29%
- 671 hospitalizations were due to motor vehicle accidents, 19 people died as a result of these accidents
- 26% report binge drinking, higher than the state's target rate of 16%.
- In Sauk County, the teen birth rate of 36, is the number of females who gave birth per 1000, ages 15-19, compared to the state rate of 32.
- The five leading causes of death in Sauk County are:
  1. Heart Attack
  2. All Other Diseases
  3. Stroke
  4. Cancer of the Trachea, Bronchus, and Lung
  5. Arteriosclerosis

### **Socioeconomic Trends**

- The high school graduation rate is 93% while the college graduation rate is 20%.
- Unemployment rate is 5%.
- The percentage of children (<18 years of age) living in poverty is 18%.
- Single parent households are 9%.
- Violent crime rate per 100,000 population is 155.

### **Physical Environment**

- Annual number of unhealthy air quality days due to fine particulate matter: 2.
- Annual number of unhealthy air quality days due to ozone : 4.
- Percentage of people who have access to healthy food: 53%.
- In Sauk County the number of liquor stores per 10,000 population is 0.9%.
- Prevalence of an elevated blood lead level among children age 6 and under: 1%.
- Percentage of population on municipal water: 63%.

### **Community Health Status Indicators (CHSI) Project**

Another approach to studying the health of our communities is the *Community Health Status Indicators* (CHSI) Project, provided by the U.S. Department of Health and Human Services. The CHSI compares many health status and access indicators to both the median rates in the U.S. and to rates in “peer counties” across the U.S. Counties are considered “peers” if they share common characteristics such as population size, poverty rate, average age, and population density. So here counties are compared across the nation, not just within each state.

Indicators here: a county compared unfavorably both to the U.S. as a whole and to the group of specified peer counties.

- ▶ Sauk County was found to have a rating worse than “peer counties” AND median US rates in regards to:
  - Suicide
  - Motor Vehicle injuries
  - Lung cancer
  - Breast cancer
  
- ▶ Sauk County compares unfavorably to WI averages for these indicators:
  - Rate of cancer hospitalizations
  - Colorectal and cervical cancer incidence
  - Rate of deaths related to tobacco use
  - % of mothers who smoke
  - Hospitalizations for cerebral-vascular disease, coronary heart disease, injuries, pneumonia and influenza
  - Preventable hospitalizations

## **Focus Group & Interview Results**

From May to July of 2012, over 30 key informants were interviewed by the Central WI Community Health Action Council, on health care issues in Sauk County via 3 focus groups and 7 personal interview.

### ***MENTAL HEALTH from interviews:***

These interviews brought to light that poor mental health, notably substance abuse and depression in senior resident and elementary school children are prevalent in the community.

*Substance abuse.* Heroin use is increasing, notably in transient populations. Prescription drug misuse, especially opioid based drugs (e.g., OxyContin and oxycodone), is widespread throughout the community. A lack of substance abuse services, including detox treatments, contributes to continued abuse.

*Alcohol abuse.* The impacts of alcohol over-consumption, both for the local resident and visiting tourist populations, are illustrated by the prevalence of motor vehicle accidents and bar fights. A lack of cultural acceptance to get treatment, difficulty in accessing treatment, and a lack of substance abuse services, including detox treatments, contributes to continued abuse.

Unmet needs create vicious cycles: untreated mental health issues lead to self-medicating with drugs, alcohol, or food, leading to medical issues, leading to further mental health issues, such as:

- Medicaid recipients need access to mental health services, which have very limited availability.
- Counseling: typically there is a long waitlist for services because few providers accept MA.
- Provider shortage of psychiatric care.
- Low-income, uninsured and underinsured need access to mental health services
- Affordable counseling.



- County Health Departments and a few private clinics in each county provide counseling for a sliding-scale fee, but there are long waitlists and income limits apply.
- Severe need for access to psychiatrists and prescriptions for psychiatric medication.
- Need for access to pediatric mental health services.

### Health Literacy Barriers

- ▶ Need to improve the effectiveness of health education (challenge: time-intensive)
  - Incremental changes, one at a time
  - Topics of concern include diet and nutrition, drug abuse, and preventive services
  - Not all residents are hearing about what health programs, offerings community already has

### Other Findings

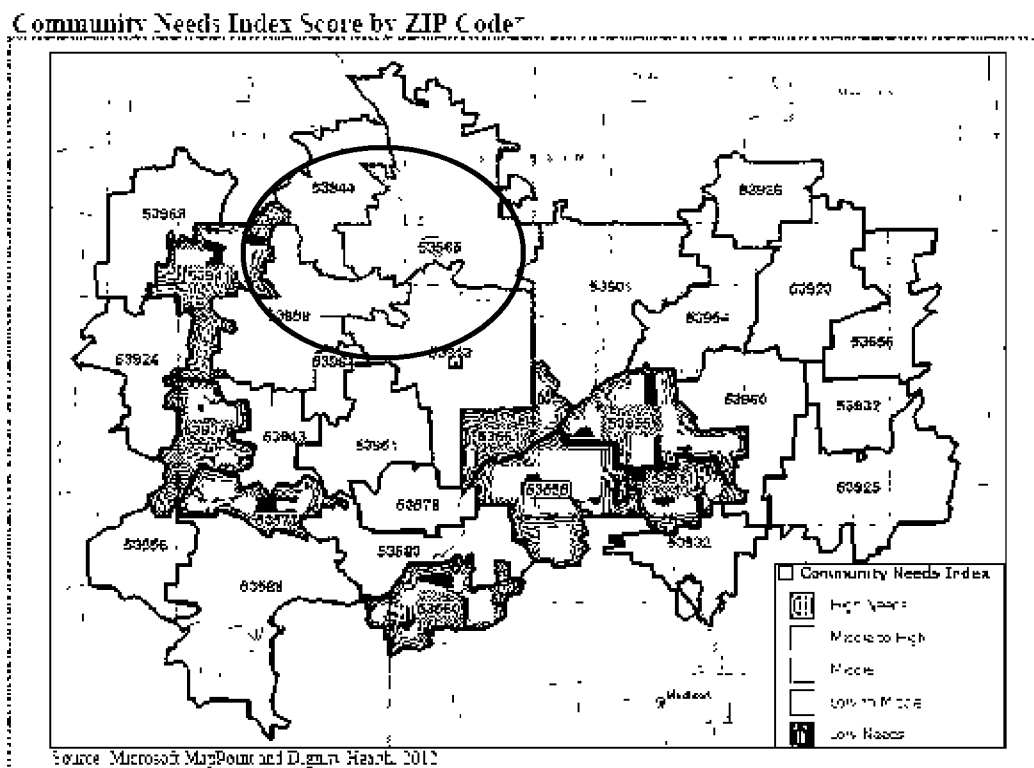
#### Community Needs Index Score

Dignity Health, a hospital system based in California, developed the *Community Needs Index*, a standardized index that measures barriers to healthcare access by county and ZIP code.

The index is constructed from five social and economic indicators:

- The percentage of elderly, children, and single parents living in poverty;
- The percentage of adults over the age of 25 with limited English proficiency, and the percentage of the population that is non-White;
- The percentage of the population without high school diplomas;
- The percentage of uninsured and unemployed residents, and;
- The percentage of the population renting houses.

This Index shows our service area by zip code, to be in a middle & middle to high need zone.



Sauk County had a higher percentage of uninsured residents than the Wisconsin average but lower than the national average. The majority of uninsured residents aged 18 to 64 were unemployed.

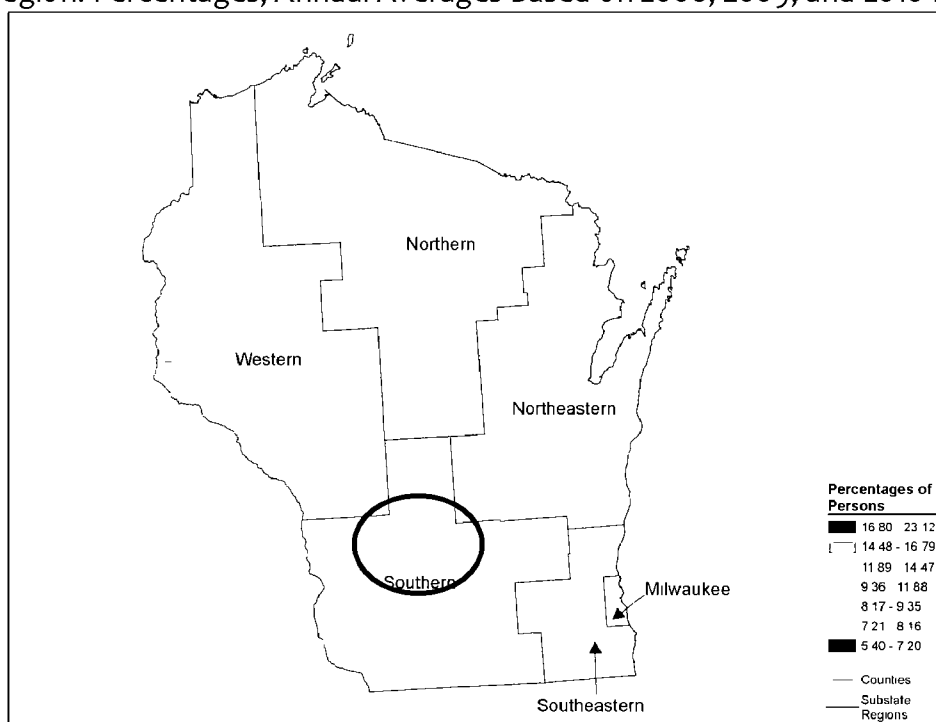
**Uninsured Population by Age Cohort and County, Three Year Estimates, 2008-2010**

County	Total Population	Population Under 18	Population 18-64		
	Percent Uninsured	Percent Uninsured	Percent Uninsured and Employed	Percent Uninsured and Unemployed	Percent Uninsured not in Labor Force
Columbia County	5.8%	1.7%	7.7%	25.8%	9.0%
Sauk County	9.6%	5.1%	10.6%	44.9%	19.2%
Wisconsin	9.1%	4.9%	10.5%	36.9%	13.6%
U.S.	15.0%	8.7%	17.3%	47.4%	21.8%

Source: U.S. Census Bureau, 2011

### National Survey on Drug Use and Health

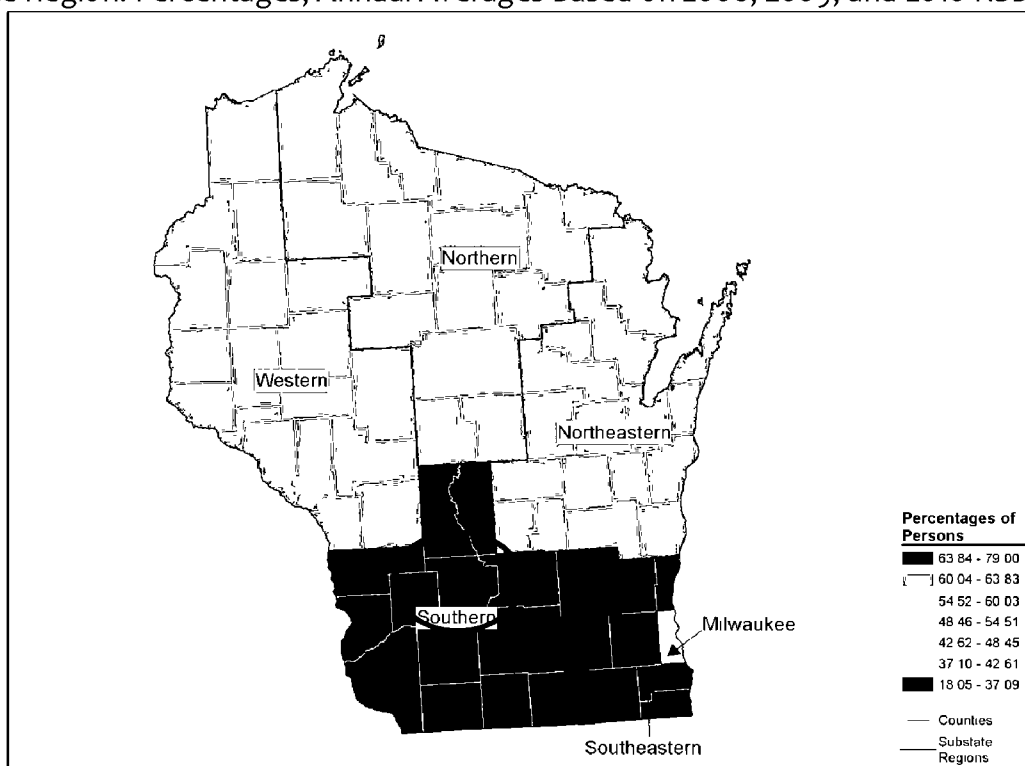
**Figure 50.2 Marijuana Use in the Past Year among Persons Aged 12 or Older in Wisconsin, by Substate Region: Percentages, Annual Averages Based on 2008, 2009, and 2010 NSDUHs**



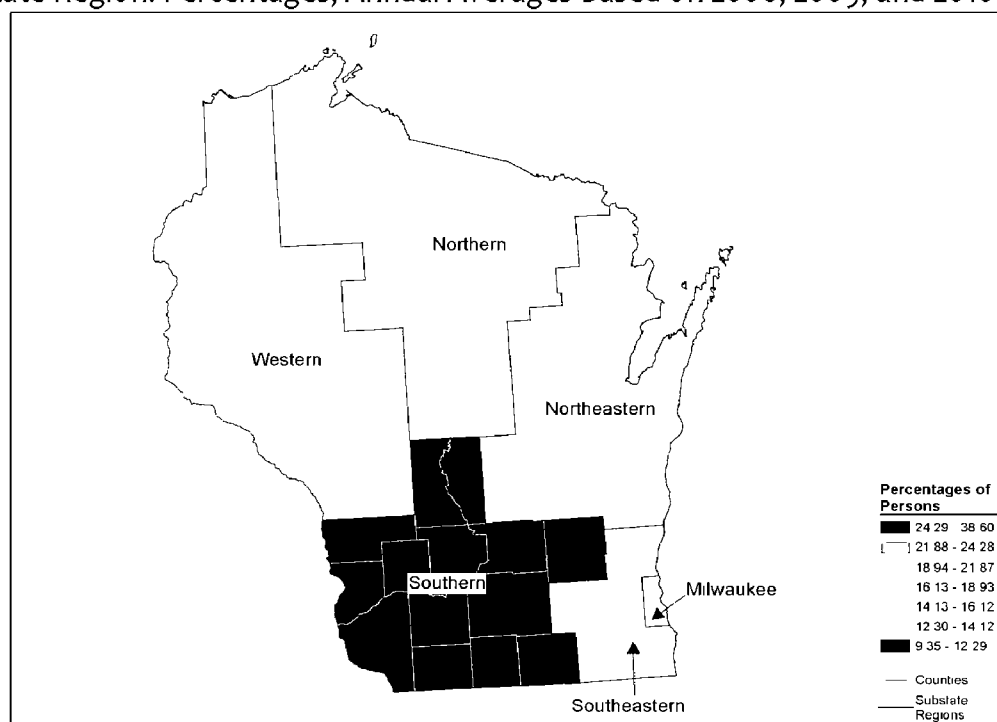
**Figure 50.7 Cocaine Use in the Past Year among Persons Aged 12 or Older in Wisconsin, by Substate Region: Percentages, Annual Averages Based on 2008, 2009, and 2010 NSDUHs**



**Figure 50.9 Alcohol Use in the Past Month among Persons Aged 12 or Older in Wisconsin, by Substate Region: Percentages, Annual Averages Based on 2008, 2009, and 2010 NSDUHs**



**Figure 50.13 Binge Alcohol Use in the Past Month among Persons Aged 12 to 20 in Wisconsin, by Substate Region: Percentages, Annual Averages Based on 2008, 2009, and 2010 NSDUHs**



Source: SAMHSA, Center for Behavioral Health Statistics and Quality, National Survey on Drug Use and Health, 2008, 2009, and 2010 (Revised March 2012).

## Summary Key Findings

- ◆ Priorities identified by community partners include: chronic disease, oral health, alcohol and drug use & lack of treatment, lack of communication for health services available & childhood obesity.
- ◆ Other health needs impacting our community include: more hours for access to treatment, more information on healthy growth and development, better & more affordable health transportation, more information on adequate nutrition, tobacco cessation information, mental health treatment and acceptance, and better oral health education and access.

### Strengths and Challenges of Local Communities

Our diversified Reedsburg HEALTH Team identified the strengths and challenges our community faces in addressing health-related issues. The strengths are comprised of a broad-based health infrastructure, community involved health care providers, school nurses, local law enforcement, mental health professionals and a user-friendly health department.

#### Strengths

- ◆ A high rate of high school graduation with 93% graduation rates in our county.
- ◆ A low occupational fatalities rate at 3.3 deaths per 100,000 workers.
- ◆ A low incidence of infectious disease at 5.0 cases per 100,000 people.
- ◆ A low rate of uninsured population at 9.6%.
- ◆ Improvement in the immunization rate from 52% in 2008 to 63% in 2010 of children ages 19-35 months who have completed the CDC recommended immunizations.
- ◆ Few poor mental health days per month at 2.7 days in the previous 30 days.

#### Challenges

The Focus Group realized that working toward improving the health and well-being of local residents includes these challenges:

- A high prevalence of binge drinking at 26% of the population.
- A high incidence of smoking during pregnancy at 21%
- A high number of children in poverty at 12%.
- Low public health funding at the state level of \$40 per person.
- Difficult economic conditions that have left many without employment and thus no employer provided health insurance.
- Lack of access to dental care
- Lack of access to alcohol & drug treatment

## **Prioritize the Strategic Issues to Address**

Without focus, all issues seem equally important. By setting our priorities we ensured that our community's valuable and limited resources will be directed to the most important issues. This prioritization process – like the entire community health improvement cycle – will be repeated every few years as progress is made or community circumstances change.

Data was reviewed taking into account the results of the Sauk County Needs Assessment objectives:

- Chronic Disease
- Physical Activity
- Access to Dental Care
- Alcohol and Drugs

Our findings were also guided by Healthiest Wisconsin 2020 health focus areas and objectives:

- Access to High-Quality Health Services
- Adequate, Appropriate, & Safe Food and Nutrition
- Alcohol & Other Drug Use
- Chronic Disease Prevention & Management
- Communicable Disease Prevention & Control
- Environmental & Occupational Health
- Healthy Growth & Development
- Injury & Violence
- Mental Health
- Oral Health
- Physical Activity
- Reproductive & Sexual Health
- Tobacco Use & Exposure

Data on demographics and health statistics was gathered and presented to the Community HEALTH Team to review. Through the use of statistical data and survey input, problems were identified. Our team then asked the all important question: “What issues should we focus on which would have the greatest impact on health in our community?” These 3 health priorities were chosen to focus on improving over the next 3 years:

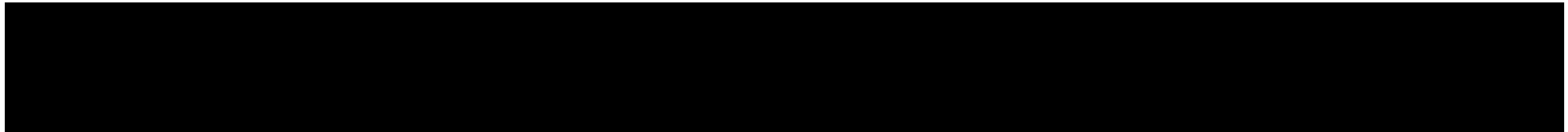
- Childhood Obesity
- Alcohol & Drug Abuse and Treatment
- Better Community Communication

<b>Used sporting goods sale</b>	4/2013 & 9/2013	Marketing Used equipment	Partners of RAMC- Jodie Molitor	More affordable sporting goods in the hands of area families	4/2: 1 <sup>st</sup> sale was slow. Need more publicity. Another sale to be held this fall 8/13: begin ads for next sale
<b>Place to rent/sell at low costs, sporting equipment</b>		Funding; liability	group	More affordable sporting goods in the hands of area families	4/2: Chamber rents bikes; More publicity on what's already out there?; 4/29: Not feasible due to storage, staffing & liability 8/2013: A1 Rental has opened a low cost sporting goods section. Great selection, low prices.
<b>Have school gyms available for families to use</b>		Funding	group	affordable area to exercise	4/2: Gyms already booked. New sports wellness center being considered by community. 4/29: Looking @ Loganville & LaValle schools for more availability. Wellness Ctr?
<b>Have 1 or 2 days/nights per month all year for free community sporting events</b>	9/13	Venue for event Sponsors Marketing	group	Families will be exposed to activities they can do on their own @ little cost. This knowledge will provide better physical health for families.	5/1: Ideas for activities: snow soccer; basketball; Frisbee golf, kickball; Nature hikes (Hartje center); Family Yoga; Put together a kid/family- friendly obstacle course; hula hoop class (learn how to hula hoop and then play games with the hula hoop); Make an indoor skating rink (wax paper on the floor, paper plates on feet); Host a family Olympic event (simple stations like clothes pin drop, javelin with straws and some physical ones thrown in like pushups) and have families "compete" as teams

<b>Walking/running trails/maps, including workout stations throughout city (dog walk w/clean up stations also)</b>	8/2013	Facebook page Funding	Joe D Jenny S Chad M	Increased health & fitness in families	4/2: Need name for routes Jenny S, Chad M & Joe D to take photos of parks on 5/4. Pamphlet with route 5/6: Parks visited & photos taken. Joe & Jenny to set up mtg with chamber & city to get maps out, including dog walking. To do: kick off event (8/13), brochure, FB page
<b>Have more activities offered by the city &amp; workout centers (free or low-cost)</b>	Not feasible	Funding	group	Increased health & fitness in families	4/2: New sports complex being considered. 4/29: Decided there are plenty of opportunities offered by city
<b>Reteach 'neighborhood' idea</b>			group	Need socializing for people to reconnect	4/2: Use new community website for meet up areas/times for walks
<b>Walking School Bus/Walk to School</b>	9/2013	Supervisors; background cks; locations	PTO's?	Save \$ for school on fuel Better physical health of students	4/2: Bring up to PTO's; need lead/supervisors; need to figure out bus stops 4/29: Annual/Nat'l Day is Oct 9. To be coordinated
<b>Summer Walking Program</b>	6/1/13	Marketing, Prizes, Walking Maps, Coordination of program; prizes; publicity	Jodie Molitor; Brenda Erdmann	Families will be offered walking activities during the summer, that kids & parents can do together	Ltrs & punch cards sent home last week of school in May with all elementary students. Same info posted on RAMC website, FB, sent to CHNA contacts.
				Kids will achieve better physical health by staying active over the summer	RAMC will supply toe tokens, punch cards & prizes. Donations of prizes received from businesses & community.



<b>More availability/ awareness of area Farmer's Markets</b>	6/1/13	publicity	Carla Mercer	More people will attend Farmer's Markets due to better dates/times for availability	4/2: More publicity, more convenient times/days 4/29: Markets begin 5/15. Publicity done, new dates/times picked.
<b>Create Community Gardens</b>	4/26/2013	Publicity Interested growers	Chamber of Commerce; Carrie Covell	Better overall health to community; more availability of fresh food	4/2: RAMC will sponsor plot. RAHS sponsor? Lessons offered with master gardeners. Workshops held also 4/29: Dedication held on 4/26, 40 attended. Very rainy spring. Find people to work plot.
<b>Create School Gardens</b>	5/1/2013	location interest lead person from school district	group	Better overall health to community; more availability of fresh food	4/2: See above. Can RAHS sponsor plot?
<b>Have healthy learning/teaching events for families (Healthy Kids/Healthy Families)</b>	12/13	teachers/instructors venue publicity	Dana Gray	Better overall health to community	4/2: Need a name; have Health & Fitness Reedsburg days 4/29: Dana will contact Partners for Wellness for help
<b>Have a dietician on-site @ local grocery stores to help shoppers choose healthy foods</b>	4/2013	Health educator needed-funding publicity	Pam Coy-Viking Village Foods	Community has access to information on how to eat/cook healthier foods	4/2: VV started up their own 'Dishin Up Health'. RAMC could join and have educator available @ another time. To contact IGA to see if they can do this also. 4/29: Contact IGA



<b>Plan more drives for disposal</b>	10/13	marketing	Emily Herritz	More drugs in our community will be disposed of properly & safely	4/29: idea for posters on school bathroom doors. Quarterly scheduled drives with giveaways (McDonalds/Culvers, etc)
<b>Educate parents/ grandparents on dangers of prescription medications left in the home</b>			committee		4/2: have labels on med bags from pharmacy's on how/ when/why to dispose 4/29: idea to find out if info can print direct onto Insty-Meds med bags also
<b>Drop box poster/advertisement</b>			Chris W		4/2: Chris to contact Jordyn Schara 4/29: Jordyn contacted through Krystal @ Friede-
<b>MD's share what to do with drugs</b>			committee		4/2: what does ER/MD do when suspect use? 4/29: educate md's to remind people what to do with drugs. CME?

<b>Education/speakers to parents/students on drug availability/types in our area</b>	Fall 2013	Venue, speaker, booths	Committee	We anticipate better knowledge for parents & students on the dangers of drugs	4/2: Educate parents on types of 'drug parties'. Make interactive & interesting. 8/1: Educational speaker coming to speak to students & public this fall. Booths with information and sauk cty drug task force to be on hand.
<b>Education/speakers to parents/students on real-life effects from use</b>	Fall 2013			We anticipate better knowledge for parents & students on the dangers of drugs	4/2: pamphlet in MD office on what/where to go if need help; also on p2d2 8/1: Educational speaker coming to speak to students & public this fall. Booths with information and sauk cty drug task force to be on hand.
<b>Speaker to 7 &amp; 8 grade/ RTI</b>				Educate students on the dangers of drugs & alcohol	4/2: RTI time to be used in '13-14 school year 7/2013: Not feasible via L Brunn, RSD Director of Pupil Instruction
<b>Use 6<sup>th</sup> gr &amp; frosh orientation time for students &amp; parents (include parochials)</b>	Fall/2014		Emily H	Educate students on the dangers of drugs & alcohol	4/2: Session 1-parents-tough love (noc); Session 2-students what is spoken here stays here(day). Emily to check with her resource.
<b>Parents that host lose the most-address drinking</b>				Address the culture that believes that drinking is acceptable as long as it's in the home.	
<b>Narcotics contract with doctors (Dr. Fast does)</b>				Educate doctors on the dangers of narcotics 'shopping'	4/2: Check with MD's on who uses this, how to enforce & is it effective? Use a CME for all doc's to use this contract. 4/29: Dr. Laukant also does these as needed. Patients may only get narcotics at/from primary MD. Follow up on new state website for narcotics 'shopping'.

<b>Middle School Program (Grim Reaper program with kids involved)</b>	2013-14 school year	School backing, student interest	Heidi Feller	We anticipate better knowledge for parents of what is “out there” tempting their middle and high school kids.	4/2: Heidi will speak with principal and school counselor to find out what is already being done.
<b>Drug and Alcohol Forum</b>	Fall/2013	Space, booth sponsors, speaker	Committee	Better educate our community on the dangers of drugs & alcohol. Better educate our community on the resources available to help someone who is already involved in drugs & alcohol.	4/29: Mayoral Proclamation as Sept. is D&A Month. Use CAL Center for speakers and cafeteria for booths. Will ask Sheriff to do opening presentation re: heroin, etc. Have speaker “mom” from Sauk Public Health as closing speaker. Have a movie looping during time. Booth time in between. Booths: P2D2; Alcohol Anonymous; SADD; MADD; Public Health; ER; Goodman’s; MD’s; Pharmacists (bowl of “Skittles” – can you identify?) Dr. S Benish; Pauquette Center; Human Services; clergy. Check with Cindy Bodendein on booklets available on meth/heroin/etc. & cost of same. Coordinate with Sauk Co. Public Health planned presentation
<b>Have book “Co-dependent no more” available for schools, churches, etc.</b>	winter 2013	sponsors to buy copies	Heidi Feller		Heidi to check



Host Community Events website (to contain: health related events, entertainment, support grps, farmers mkt, nutrition-related events, exercise, arts/culture, mental health resources, education & more)	9/2013	funding: \$2000 Initial design \$500 marketing \$500 annual website upkeep/mo. subscrip fees	Carla M	Have a simple, single entry point for those community members with internet access, to community events.	4/2: thelocallinks.com website name was purchased for 10 yrs. Kristine to look for a local to design the site. Rules to be designed @ nx mtg. Tammy started list of categories, will be continued. Wendi H to look into grants for hosting, etc. Work on funding

<b>Hotline to promote same events</b>	9/2013	funding: \$100 installation \$500 marketing \$360 annual hotline fees	Kristine	Enable those without internet to access same events on website	4/2: Have Chamber host line. Looking at # thru Rbg Utility. Kristine to discuss with her board re: chamber taking on. 4/29: Chamber will host. Funding needed 7/13: estimates given. Way over budget. Looking into different avenues to finance.

## Resources

Source: U.S. Census Bureau - <http://www.census.gov/>

Source: Wisconsin Interactive Statistics on Health (WISH) - <http://www.dhs.wisconsin.gov/wish/>

Source: Analysis Visualization and Reporting (AVR)-Public Health Information Network (PHIN) – password protected  
<https://avr.wisconsin.gov/SASLogon/index.jsp? sasapp=Information+Delivery+Portal+4.3&>

Source: Family Health Survey - <http://www.dhs.wisconsin.gov/stats/familyhealthsurvey.htm>

Source: Behavioral Risk Factor Survey - <http://www.dhs.wisconsin.gov/wish/>

Source: Forward Health - <http://www.dhs.wisconsin.gov/forwardhealth/>

Source: Burden of Oral Health - [http://www.dhs.wisconsin.gov/health/Oral Health/reports.htm](http://www.dhs.wisconsin.gov/health/Oral_Health/reports.htm)

Source: UW Extension – 2008 (food security) - <http://www.uwex.edu/ces/flp/cfs/>

Source: Department of Public Instruction (free and reduced lunch) - <http://dpi.wi.gov/fns/progstat.html>

Source: Wisconsin Department of Revenue (liquor licenses) - <http://www.revenue.wi.gov/ise/excise.html>

Source: Wisconsin Department of Transportation (alcohol related crashes) -  
<http://www.dot.wisconsin.gov/safety/motorist/drunkdiriving/crash.htm>

Source: The Burden of Diabetes – 2008 - <http://www.dhs.wisconsin.gov/health/diabetes/>

Source: DHS, Bureau of Communicable Disease & Preparedness (lyme disease) –  
<http://www.dhs.wisconsin.gov/communicable/TickBorne/LymeDisease/Index.htm>

Source: DHS, Bureau of Environmental Health (lead poisoning) - <http://www.dhs.wisconsin.gov/lead/>

Source: DHS, Bureau of Environmental Health (radon) - <http://www.dhs.wisconsin.gov/radiation/>

Source: 2007 estimate of obese adults - Centers for Disease Control and Prevention: National Diabetes Surveillance System.  
Available online at: <http://www.cdc.gov/diabetes/statistics/index.htm>. Retrieved 4/1/2010

Source: WI DPH, WI AIDS/HIV Program - <http://www.dhs.wisconsin.gov/aids-hiv/>

Source: DHS, Bureau of Communicable Disease & Preparedness (STDs) - <http://www.dhs.wisconsin.gov/communicable/STD/INDEX.HTM>

Source: Burden of Tobacco/WISH - <http://www.dhs.wisconsin.gov/tobacco/>

Source: US Census Bureau- <http://quickfacts.census.gov/qfd/states/55/55111.html>

Source: County Health Rankings- <http://www.countyhealthrankings.org>

Source: United Health Foundation, America's Health Rankings-<http://www.americashealthrankings.org>

Source: Healthiest Wisconsin 2020 – <http://www.dhs.wisconsin.gov/hw2020/index.htm>

Source: Wisconsin Department of Workforce Development –<http://www.dwd.state.wi.us>

Source: The Bureau of Community Health Promotion, Special Supplemental Nutrition Program for Women, Infants and Children-  
<http://www.dhs.wisconsin.gov/wic>

Source: Community Health Needs Assessment for Sauk & Columbia Counties, December 2012. Central Wisconsin Community Action Council

*“Public Health: The science and art of preventing disease, prolonging life and promoting health through the organized efforts and informed choices of society, organizations, public and private, communities and individuals.” C.E.A. Winslow*