

Financial Analysis

Combined Balance Sheets (In Thousands)

<u>ASSETS</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Current assets:			
Cash and cash equivalents	\$ 1,513	\$ 2,777	\$ 2,953
Accounts receivable - Net	1,682	1,521	1,460
Other	604	581	560
Total current assets	3,799	4,879	4,973
Investments and assets limited as to use	273	284	287
Property and equipment - Net	9,034	8,619	8,846
Other assets	682	686	714
TOTAL ASSETS	<u>\$ 13,788</u>	<u>\$ 14,468</u>	<u>\$ 14,820</u>
 <u>LIABILITIES AND NET ASSETS</u>			
Current liabilities:			
Current maturities - Long-term liabilities	\$ 331	\$ 355	\$ 544
Accounts payable	455	561	817
Accrued and other liabilities	1,321	1,046	914
Total current liabilities	2,107	1,962	2,275
Long-term liabilities	7,143	7,633	6,788
Net assets	4,538	4,873	5,757
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 13,788</u>	<u>\$ 14,468</u>	<u>\$ 14,820</u>

- Cash and cash equivalents increased approximately \$176,000, primarily due to improved operations for fiscal 2011.
- Accounts receivable - net decreased approximately \$61,000 as a result of continued collection efforts in fiscal 2011.
- Accrued and other liabilities decreased approximately \$132,000 due to changes in the estimated settlements for Medicare and Medicaid cost reports outstanding at June 30, 2011.
- Long-term liabilities decreased approximately \$845,000 due to scheduled payments on long-term debt along with a decrease in the amounts payable to third-party reimbursement programs.
- Net assets increased 18.1 percent in fiscal 2011 compared to 2010 levels due to improved operating performance.

Financial Analysis (Continued)

Moundview Memorial Hospital & Clinics and Affiliate
 Combined Statements of Operations
 (In Thousands)

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Revenue:			
Patient service revenue	\$ 28,548	\$ 27,428	\$ 29,321
Less contractual adjustments	<u>12,690</u>	<u>12,330</u>	<u>13,846</u>
Net patient service revenue	15,858	15,098	15,475
Other revenue	<u>246</u>	<u>244</u>	<u>233</u>
Total revenue	<u>16,104</u>	<u>15,342</u>	<u>15,708</u>
Expenses:			
Salaries and wages	6,181	5,744	5,948
Fringe benefits	1,608	1,485	1,428
Supplies and other	6,753	6,098	5,994
Provision for bad debts	1,013	1,118	947
Depreciation and amortization	553	449	465
Interest	<u>357</u>	<u>310</u>	<u>270</u>
Total expenses	<u>16,465</u>	<u>15,204</u>	<u>15,052</u>
Income (loss) from operations	(361)	138	656
Nonoperating gains - Net	<u>139</u>	<u>132</u>	<u>160</u>
Excess (deficiency) of revenue over expenses	<u>\$ (222)</u>	<u>\$ 270</u>	<u>\$ 816</u>

- Patient service revenue increased 6.9 percent in fiscal 2011 compared to fiscal 2010, primarily due to increased volumes in radiology and emergency room services.
- Total expenses decreased by \$152,000, or 1 percent, in fiscal 2011 compared to fiscal 2010.
- Total salaries and wages increased \$204,000, primarily due to normal wage increases during fiscal 2011.
- Provision for bad debts decreased by \$171,000 in fiscal 2011 compared to 2010 levels, primarily due to improved collections during fiscal 2011 and an improved aging of accounts receivable balances.