QUARTERLY FINANCIAL STATEMENTS

FOR THE PERIOD ENDING

June 30, 2014

CONE HEALTH CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS
FOR THE PERIOD ENDING JUNE 30, 2014

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Cone Health
Financial Statement Narrative
For Period Ended June 30, 2014

The consolidated financial statements and commentary presented below reflect the financial position, results of operations, and cash flows of Cone Health as a consolidated system including Moses Cone Hospital Operating Corporation, Alamance Regional Medical Center, the Parent Corporation, and all related affiliates for the nine month period ended June 30, 2014.

Significant or unique occurrences during the period

Operating performance for the period was better than budget and prior year. For the quarter, The Health System's consolidated operating income was $9.0M and a margin of 2.6% compared to a budget of $10.0M and a margin of 2.9%. Excess of revenues over expenses were $21.5M and a net margin of 6.2% compared to a budget of $12.5M and net margin of 3.6%. For the year-to-date period, operating income was $25.6M and a margin of 2.5% compared to a budget of $18.9M and a margin of 1.8%. Year-to-date excess of revenues over expenses was $41.8M and a net margin of 4.1% compared to a budget of $23.9M and net margin of 2.3%. In summary, revenue was below budget with a primary driver being declining volumes and a shift in patients from inpatient to lower-paying observation status. The revenue shortfall was offset by favorable expense variances in salaries, depreciation, and other operating expense. Details of the year-to-date operating performance variances are below.

The shift of patients from inpatient status to observation status continued in the third quarter although to a lesser extent than earlier in the year. The main driver of this change has been implementation of the CMS "two-midnight rule" effective October 2013 which guides physicians to place patients in Observation status rather than Inpatient status if the physician cannot initially attest that the patient will be in-house across two midnight periods regardless of acuity. The affect at the Greensboro hospitals has been that more patients are being placed in observation status which on average reimburses less per case than inpatient status would. After a large shift in the first two months, clarification of the rule and careful internal management of the process led to less of a shift in the second and third quarters. In addition to the status change dynamic, patient volumes have been down in general. Total census is down compared to budget and prior year. Emergency department volumes and surgeries are down compared to budget and prior year too.

Labor expenses have been favorable to budget as labor management initiatives including not filling vacant positions led to FTE's being 253 below budget year-to-date. Benefits expense has been above budget due to pension settlement expense for lump-sum payouts and employee medical claims expenses. Non-labor expenses were favorable to budget on various items including building and equipment maintenance and repairs and software maintenance and support fees. Depreciation expense is favorable to plan due to slower capital acquisitions. Pharmaceutical expense continues to rise nationally, and we are experiencing volume growth in our contract pharmacies and medical oncology services.

As part of a long-term pension funding plan, in June the organization began the process of offering lump-sum payouts to terminated vested employees. The offering will end and payments will be made before the end of September. These payments will create an operating expense recognition in the current fiscal year estimated by our third-party actuary to be $4.5 to $6.8M.

In the first quarter, the Health System closed its Series 2013 bonds in the amount of $130.2 million through the North Carolina Medical Care Commission. The bonds were used to retire the $42.9 million under the Health System's line of credit, fund a construction account with $59.8 million for use on the Alamance Regional Medical Center campus, and to fund an escrow to repay the AEC Series 2007 bonds effective January 1, 2014. The bonds have annual principal payments starting in fiscal year 2014 through 2023 with a balance of $88.8 million due at maturity. The bonds are fixed rate obligations with an average interest rate of 2.815%.

Cone Health
Financial Statement Narrative
For Period Ended June 30, 2014

Consolidated Statement of Operations Summary ($ in Thousands)
For the nine months ended June 30, 2014

	Actual YTD	Budget YTD	Variance	Prior YTD
Operating income	$25,594	$18,854	$6,740	($14,340)
Operating EBIDA	$93,360	$91,754	$1,606	$37,984
Operating Margin %	2.5%	1.8%	0.7%	-1.7%
Excess of revenue over expenses	$41,769	$23,865	$17,904	$2,715
EBIDA	$116,523	$104,493	$12,030	$59,152
Excess Margin %	4.1%	2.3%	1.8%	0.3%
Change in Net Assets	$77,394	$23,865	$53,529	$10,639

In the accompanying comparative consolidated financial statements, prior year information only includes two months of ARMC Healthcare operations (May and June, since May 1, 2013 merger).

Inpatient activity for the system was short of budget by 3,693 cases or 8.0% for the period and below prior year by 8.1%. The observation variance partially offsetting the inpatient shortfall is favorable by 2,625 cases or 25% and above prior year by 2,514 or 23.9%. The inpatient case mix index was 7.2% higher than budget and 7.5% higher than prior year to date. The CMI increase is due in part to the observation shift removing lower weighted cases from the inpatient mix. The acute hospital average length of stay continues to improve and was below budget by 0.11 days or 2.5% and lower than prior year by 0.15 days or 3.3%. Total emergency visits were 3.4% lower than budget and 0.9% lower than prior year. Surgery volumes are below budget and prior year by 2.6% and 3.2%, respectively. The shortfall and decline are on inpatient cases year-to-date. Outpatient surgeries are essentially flat. Outpatient visits were above budget by 2.8% and above prior year by 7.6%. The variance is due to growth in observations, rehab, and radiology visits.

Gross patient revenue followed volume trends with outpatient revenue being significantly above budget and inpatient being significantly under. The total net patient revenue variance is $13.2M below budget for the year. The shift of patients to outpatient which has a lower payment rate than inpatient led to approximately $8.4M of the variance. Other volume shortfalls contributed to a $7.3M variance. Offsetting the volume matters was favorable payer mix of approximately $5.3M. Case mix and payment rates were favorable by approximately $1.0M. The physician enterprise has an unfavorable net revenue variance of $3.9M primarily due to lower volumes. Other operating revenue is favorable to budget by $3.2M primarily due to contract pharmacy revenues.

Salary expense including contract labor (purchased personnel) was favorable to budget in the quarter by $15.8 million (3.7%). The primary drivers are FTE’s being below budget due to lower staffing matched to decreased patient volumes and due to vacant positions being held open longer before hiring replacements. In the operating divisions, FTE’s were below budget by 253 YTD. Benefits expense was over budget by $1.2M

(0.9%). The primary drivers were increased pension settlement costs due to lump-sum payouts of retirees and due to increasing employee medical claims expense.

Supplies and Drugs have been unfavorable to budget $5.2M (2.8%). Various issues are driving the variances. High-cost surgical cases are contributing to the supply variance, and pricing issues in Pharmacy led to higher costs. Also, contract pharmacy volumes and Cancer Center medical oncology activity have been up.

Other Operating Expenses are under budget by $2.3M (1.2%) and above first quarter prior year by $0.6M (1.0%). Maintenance and repairs and software fees are the primary drivers of the favorable budget variance. Depreciation expense is favorable to budget by $5.1 M (7.0%) due to slower the planned pace of capital spending.

Net Non-Operating Income was above budget by $9.6M (126%). Joint venture income has been strong. Realized investment gains in the third quarter were $12.8M over budget. Also included in the year to date variance is loss on extinguishment of debt at ARMC for $1.9M from the first quarter.

Balance Sheet Summary of Key Metrics and Ratios
As of June 30, 2014

	Actual	Prior Qtr.	Change	Prior FYE
Cash and long-term investment ($000)	$935,621	$879,024	$56,597	$873,790
Days cash on hand	274	258	16	284
Days in A/R	53.7	56.0	(2.3)	63.0
Cash to debt	182%	171%	11%	176%
Debt to capitalization	20.9%	26.3%	(5.4%)	26.3%
Annual debt service coverage ratio	7.30	6.62	0.68	6.60

Cash and investments increased by $56.6 million year-to-date behind strong investment performance and improving operations. That increase drives several of the key ratios to a more favorable position. The addition of the Series 2013 bonds and the fact that 2013 expenses in ratios only include five months of ARMC operations from last year also affect some of the comparability of ratios. The fiscal year-to-date return on the investment portfolio as of June 30, 2014, was 10.0%.

CONE HEALTH OPERATIONS
Statistics by Category
June 30, 2014 and June 30, 2013

	QUARTER-TO-DATE					YEAR-TO-DATE				
	Actual 06/30/14	Budget 06/30/14	Act./Bud. % Var	Actual 06/30/13	Act./Act. % Var	Actual 06/30/14	Budget 06/30/14	Act./Bud. % Var	Actual 06/30/13	Act./Act. % Var
Beds in Service										
Moses H Cone Memorial Hospital	485	485	0.00%	506	-4.15%	485	485	0.00%	522	-7.09%
Alamance Regional Medical Center	215	215	0.00%	215	0.00%	215	215	0.00%	215	0.00%
Wesley Long Community Hospital	171	171	0.00%	122	40.16%	171	171	0.00%	116	47.41%
Annie Penn Hospital	46	46	0.00%	87	-47.13%	59	59	0.00%	87	-32.18%
Women's Hospital of Greensboro	134	134	0.00%	134	0.00%	134	134	0.00%	134	0.00%
Behavioral Health Hospital	80	80	0.00%	80	0.00%	80	80	0.00%	80	0.00%
Beds in Service- Operating Corp	1,131	1,131	0.00%	1,144	-1.14%	1,144	1,144	0.00%	1,154	-0.87%
Number of Inpatients										
Moses H Cone Memorial Hospital	5,987	6,091	-1.71%	5,963	0.40%	17,178	18,752	-8.39%	18,878	-9.01%
Alamance Regional Medical Center	2,689	2,854	-5.78%	2,976	-9.64%	8,146	8,820	-7.64%	8,778	-7.20%
Wesley Long Community Hospital	2,334	2,456	-4.97%	2,489	-6.23%	7,009	7,735	-9.39%	7,792	-10.05%
Annie Penn Hospital	814	869	-6.33%	834	-2.40%	2,250	2,706	-16.85%	2,716	-17.16%
Women's Hospital of Greensboro	1,787	1,879	-4.90%	1,885	-5.20%	5,460	5,728	-4.68%	5,740	-4.88%
Behavioral Health Hospital	887	804	10.32%	832	6.61%	2,472	2,469	0.12%	2,371	4.26%
Number of Inpatients - Operating Corp	14,498	14,953	-3.04%	14,979	-3.21%	42,515	46,210	-8.00%	46,275	-8.13%
Average Length of Stay										
Moses H Cone Memorial Hospital	4.47	4.62	3.22%	4.58	2.24%	4.65	4.71	1.29%	4.66	0.32%
Alamance Regional Medical Center	4.17	4.18	0.21%	4.17	0.07%	4.28	4.16	-2.79%	4.18	-2.42%
Wesley Long Community Hospital	3.91	4.73	17.43%	4.64	15.87%	4.19	4.83	13.24%	4.79	12.51%
Annie Penn Hospital	3.69	3.81	3.05%	3.87	4.59%	3.86	3.89	0.81%	3.92	1.65%
Women's Hospital of Greensboro	3.95	3.73	-5.96%	4.03	2.04%	3.80	3.75	-1.24%	3.93	3.44%
Behavioral Health Hospital	5.45	5.81	6.33%	5.76	5.40%	5.99	5.92	-1.20%	5.92	-1.19%
Average Length of Stay - Operating Corp	4.28	4.46	4.10%	4.46	4.21%	4.43	4.52	2.07%	4.52	2.07%
Average Daily Census										
Moses H Cone Memorial Hospital	294.3	309.4	-4.88%	299.8	-1.83%	292.4	323.3	-9.56%	322.4	-9.31%
Alamance Regional Medical Center	123.2	131.0	5.95%	136.4	9.68%	127.6	134.4	5.06%	134.3	4.99%
Wesley Long Community Hospital	100.2	127.6	-21.47%	127.0	-21.10%	107.5	136.8	-21.42%	136.6	-21.30%
Annie Penn Hospital	33.0	36.4	-9.34%	35.5	-7.04%	31.8	38.6	-17.62%	39.0	-18.46%
Women's Hospital of Greensboro	77.6	77.0	0.78%	83.5	-7.07%	75.9	78.7	-3.56%	82.7	-8.22%
Behavioral Health Hospital	53.1	51.4	3.31%	52.6	0.95%	54.2	53.5	1.31%	51.4	5.45%
Average Daily Census - Operating Corp	681.3	732.7	-7.02%	734.8	-7.28%	689.5	765.2	-9.89%	766.4	-10.03%
Average Daily Census - Long Term Care										
Penn Nursing Center	84.5	86.2	-2.01%	84.8	-0.44%	84.3	86.2	-2.15%	84.6	-0.35%
Average Daily Census - LTC	84.5	86.2	-2.01%	84.8	-0.44%	84.3	86.2	-2.15%	84.6	-0.35%
Alamance Extended Care										
Edgewood Place	70.7	73.5	-3.84%	72.8	-2.94%	71.4	75.0	-4.76%	73.7	-3.13%
TVAB Skilled Nursing	14.4	17.0	-15.19%	13.3	8.25%	13.0	17.0	-23.55%	15.1	-13.78%
Average Daily Census - CCRC	85.1	90.5	-5.97%	86.1	-1.21%	84.4	92.0	-8.23%	88.8	-4.94%

CONE HEALTH OPERATIONS
Operational Statistics by Category
June 30, 2014 and June 30, 2013

	QUARTER-TO-DATE					YEAR-TO-DATE				
	Actual 06/30/14	Budget 06/30/14	Act./Bud. % Var	Actual 06/30/13	Act./Act. % Var	Actual 06/30/14	Budget 06/30/14	Act./Bud. % Var	Actual 06/30/13	Act./Act. % Var
Surgical Procedures										
Moses H Cone Memorial Hospital	3,186	3,142	1.40%	3,288	-3.10%	9,453	9,367	0.92%	9,681	-2.36%
Alamance Regional Medical Center	1,970	2,123	-7.21%	2,037	-3.29%	6,167	6,697	-7.91%	6,576	-6.22%
Wesley Long Community Hospital	1,454	1,450	0.28%	1,448	0.41%	4,447	4,508	-1.35%	4,426	0.47%
Annie Penn Hospital	493	570	-13.51%	597	-17.42%	1,591	1,695	-6.14%	1,831	-13.11%
Women's Hospital of Greensboro	1,021	1,064	-4.04%	1,159	-11.91%	3,243	3,343	-2.99%	3,413	-4.98%
Mebane Surgery Center	404	444	-9.01%	452	-10.62%	859	902	-4.77%	926	-7.24%
Day Surgery Center @ Moses Cone	1,099	1,212	-9.32%	1,247	-11.87%	3,574	3,618	-1.22%	3,574	0.00%
Day Surgery Center @ Wesley Long	446	441	1.13%	381	17.06%	1,306	1,316	-0.76%	1,237	5.58%
Surgical Procedures - Operating Corp	10,073	10,446	-3.57%	10,609	-5.05%	30,640	31,446	-2.56%	31,664	-3.23%
Deliveries										
Annie Penn Hospital	(4)	-	0.00%	-	100.00%	(3)	-	0.00%	-	0.00%
Alamance Regional Medical Center	305	310	0.00%	337	-9.50%	968	930	4.09%	961	0.73%
Women's Hospital of Greensboro	1,476	1,518	-2.77%	1,513	-2.45%	4,507	4,562	-1.21%	4,605	-2.13%
Deliveries - Operating Corp	1,777	1,828	-2.79%	1,850	-3.95%	5,472	5,492	-0.36%	5,566	-1.69%
Emergency Department Visits										
Moses H Cone Memorial Hospital	26,105	23,834	9.53%	23,548	10.86%	74,975	71,948	4.21%	70,817	5.87%
Alamance Regional Medical Center	14,458	15,371	-5.94%	14,460	-0.01%	41,313	45,837	-9.87%	43,378	-4.76%
Urgent Care Center	5,783	7,645	-24.36%	7,065	-18.15%	17,929	23,025	-22.13%	22,931	-21.81%
Mebane Urgent Care	2,188	2,580	-15.19%	2,428	-9.88%	4,523	5,004	-9.61%	4,709	-3.95%
Kernersville Urgent Care	1,261	1,618	-22.06%	1,299	-2.93%	3,695	5,126	-27.92%	4,557	-18.92%
Wesley Long Community Hospital	14,824	13,874	6.85%	14,062	5.42%	42,850	40,745	5.17%	40,722	5.23%
Med Center High Point	6,837	7,399	-7.60%	6,740	1.44%	20,016	21,645	-7.53%	20,620	-2.93%
Annie Penn Hospital	9,261	9,266	-0.05%	8,983	3.09%	26,874	26,900	-0.10%	26,484	1.47%
MAU Visits	5,149	5,344	-3.65%	5,254	-2.00%	15,095	15,686	-3.77%	15,329	-1.53%
ED Visits - Operating Corp	85,866	86,931	-1.23%	83,839	2.42%	247,270	255,916	-3.38%	249,547	-0.91%
O/P Visits										
Moses H Cone Memorial Hospital	57,686	53,305	8.22%	52,488	9.90%	165,682	157,388	5.27%	150,077	10.40%
Wesley Long Community Hospital	16,384	16,139	1.52%	14,899	9.97%	47,816	46,600	2.61%	43,114	10.91%
Annie Penn Hospital	14,781	14,603	1.22%	14,428	2.45%	43,645	43,486	0.37%	42,840	1.88%
Women's Hospital of Greensboro	12,005	9,947	20.69%	9,944	20.73%	32,514	29,932	8.63%	28,061	15.87%
Behavioral Health Hospital	5,464	5,339	2.34%	4,461	22.48%	14,635	15,972	-8.37%	13,662	7.12%
Health Services Division	6,431	5,516	16.59%	5,155	24.75%	17,546	17,474	0.41%	16,074	9.16%
Regional Cancer Center	16,238	14,229	14.12%	13,550	19.84%	48,349	42,672	13.30%	42,911	12.67%
O/P Visits - Operating Corp	159,976	151,035	5.92%	145,930	9.62%	461,777	449,399	2.75%	429,698	7.47%
Moses Cone Physician Services (TCTS, VVS, RCP, UMFC, etc.)										
Physician Office Visits	20,649	22,783	-9.37%	21,008	-1.71%	62,051	68,084	-8.86%	64,123	-3.23%
Physician Hospital Visits	30,486	28,723	6.14%	27,840	9.50%	89,760	91,162	-1.54%	91,310	-1.70%
Physician Procedures	7,803	8,316	-6.17%	7,934	-1.65%	23,468	24,751	-5.19%	24,768	-5.25%
	58,938	59,822	-1.48%	56,782	3.80%	175,279	183,998	-4.74%	180,201	-2.73%

Cone Health
Consolidated Balance Sheets
June 30, 2014 and September 30, 2013

Assets	June 30, 2014	Audited September 30, 2013
Current Assets		
Cash	$ 54,128,855	$ 11,895,416
Short-term investments	33,019,018	45,164,085
Patient Receivables (net) (Note 1)	193,816,351	189,623,467
Other Receivables	32,962,037	39,199,786
Inventories	25,801,254	24,400,975
Prepaid Expenses	9,692,054	12,671,633
Other Current Assets	2,521,657	5,932,736
Total Current Assets	351,941,226	328,888,099
Plant and Property(net)		
Land and Land Improvements	61,283,850	61,920,571
Building and Fixed Equipment	688,411,060	652,172,653
Moveable Equipment	178,907,654	187,011,555
Real Estate	11,505,319	12,254,925
	940,107,883	913,359,704
Construction/Equipment In Progress	56,599,029	65,718,941
Total Plant and Property (Note 2)	996,706,912	979,078,645
Other Non Current Assets		
Marketable Securities (Note 3)	848,474,125	816,730,710
Joint Ventures (Note 4)	44,013,479	38,500,148
Investment in Unrelated Parties	75,000	75,000
Trustee held bond funds	9,109,624	313,863
Subtotal Investments	901,672,228	855,619,721
Deferred Costs	3,660,341	2,872,156
Other Assets	40,704,772	37,527,983
Non-Compete Agreement	-	-
Goodwill	8,947,138	6,311,558
Total Other Non-Current Assets	53,312,251	46,711,697
TOTAL ASSETS	$2,303,632,617	$2,210,298,161

Liabilities and Net Assets	June 30, 2014	Audited September 30, 2013
Current Liabilities		
Accrued Payroll	$ 44,471,005	$ 33,732,708
Accounts Payable	54,527,864	67,203,459
PAL & Retirement	28,104,127	38,595,171
Bonds Payable (Note 5)	12,627,118	7,478,953
Short Term Debt, Line of Credit (Note 5)	95,797,961	96,741,510
Other Current Liabilities	52,327,641	45,497,741
Total Current Liabilities	287,855,715	289,249,541
Debt and Other Liabilities		
Bonds Payable (Note 5)	354,980,000	329,028,274
Long Term Debt (Note 5)	37,011,659	58,933,812
Capital Lease Obligation	3,665,276	5,133,567
Other Non-Current Liabilities	118,491,018	116,486,371
Total Liabilities	802,003,668	798,831,565
Net Assets		
Unrestricted	1,481,915,518	1,395,334,620
Noncontrolling Interest	8,618,736	7,582,740
Total Unrestrictred Net Assets	1,490,534,254	1,402,917,360
Temporarily Restricted	11,094,695	8,549,236
Total Restrictred Net Assets	11,094,695	8,549,236
Total Net Assets	1,501,628,949	1,411,466,596
TOTAL LIAB. AND NET ASSETS	$2,303,632,617	$2,210,298,161

Cone Health
Notes to the Consolidated Balance Sheets
June 30, 2014 and September 30, 2013

Footnotes

(1) Patient accounts receivable are shown net of an allowance for uncollectible accounts. The balances presented include settlements from third party payors - primarily Medicare and Medicaid as a result of subsequent period cost settlements as well as amounts due to third party payors and patients (credit balances). In addition, amounts due from collection agencies on bad debt collections are shown as recovery accruals.

	June 30, 2014	September 30, 2013
Patient Accounts Receivable	$ 516,447,209	$ 515,779,310
Less Credit Balances	(816,692)	(1,906,361)
Gross Patient Accounts Receivable Net of Credit Bala	515,630,517	513,872,949
Plus Recovery Accruals	4,480,751	4,232,257
Plus Withholds	600,000	200,000
Plus Settlement Accounts	(14,701,280)	(1,653,594)
Gross Patient Accounts Receivable	506,009,988	516,651,612
Allowance for Uncollectible	(312,193,637)	(327,028,145)
Net Accounts Receivable	$ 193,816,351	$ 189,623,467

(2) Plant and property balances are shown at cost net of accumulated depreciation. Depreciation is provided over the estimated useful life of each class of depreciable assets and iscomputed on the straight-line method for financial reporting purposes.

	June 30, 2014			September 30, 2013		
	Cost	Depreciation	Net	Cost	Depreciation	Net
Land and Land Improvements	$ 71,194,235	$ (9,910,385)	$ 61,283,850	$ 70,655,086	$ (8,734,515)	$ 61,920,571
Building and Fixed Equipment	1,061,083,459	(372,672,399)	688,411,060	996,135,521	(343,962,868)	652,172,653
Moveable Equipment	375,274,486	(196,366,832)	178,907,654	362,312,597	(175,301,042)	187,011,555
Real Estate [(1)]	26,381,582	(14,876,263)	11,505,319	26,244,498	(13,989,573)	12,254,925
Subtotal	$1,533,933,762	($593,825,879)	$940,107,883	$1,455,347,701	($541,987,998)	$913,359,704
Construction/Equipment In Progress	56,599,029	N/A	56,599,029	65,718,941	N/A	65,718,941
Total Plant and Property	$ 1,590,532,791	$ (593,825,879)	$ 996,706,912	$ 1,521,066,643	$ (541,987,998)	$ 979,078,645

(1) Real Estate investments

	June 30, 2014	September 30, 2013
Adams Farm	$ 1,427,446	$ 1,580,438
ARMC	-	0
Forest Oaks - land only	289,490	289,490
Stoney Creek	1,146,086	1,179,948
Wendover Medical	7,523,531	7,994,816
West Wendover	1,118,766	1,210,233
	$ 11,505,319	$ 12,254,925

(3) Marketable Securities are listed at market value. Market and cost values by manager are as follows:

	June 30, 2014		September 30, 2013	
Health System:	**Market**	**Cost**	**Market**	**Cost**
Subtotal Health System Marketable Securities	$ 675,897,932	$ 620,820,059	$ 581,335,311	$ 554,066,988
Alamance Regional Medical Center:				
Subtotal Health System Marketable Securities	$ 16,702,023		$ 73,155,414	
Alamance Foundation:				
Subtotal Health System Marketable Securities	60,635,248		54,819,624	
Foundation:				
Subtotal Foundation Marketable Securities	116,414,165	103,227,601	112,269,367	103,749,748
SubTotal Marketable Securities	$ 869,649,368	$ 724,047,660	$ 821,579,717	$ 657,816,735
Annie Penn Foundation	$ 2,592,295		$ 2,592,294	
Reclassed to Short Term or AWUIL-ST**	$ (23,767,538)		$ (7,441,301)	
Total Marketable Securities	$ 848,474,125		$ 816,730,710	

* Note: Per Generally Accepted Accounting Principles, alternative investments are carried at cost on financial statements as there is no accepted common exchange for market valuation.
** AWUIL-ST - Assets Whose Use Is Limited - Short term

Notes to the Consolidated Balance Sheets
June 30, 2014 and September 30, 2013

(4) Joint Ventures are accounted for using the equity method. The Health System's share has been adjusted for it's share of the respective investee's operations. The Health System's share of the equity is as follows:

	June 30, 2014	September 30, 2013	Change
Hospice at Greensboro	$ 12,979,369	$ 11,883,682	$ 1,095,687
Clarity (HCCR)	357,616	357,616	-
Greensboro HealthCare Network	48,894	(14,763)	63,657
Piedmont Community Health Care Alliance	(21,343)	(21,343)	-
Diagnostic Radiology & Imaging	2,133,609	1,246,279	887,330
NSC Greensboro West (Spine Center JV holding co)*	1,293,507	846,583	446,924
Spine Center JV	-	-	-
Day Surgery Center of Greensboro	852,491	838,446	14,045
Cardiovascular Diagnostic Center*	387,980	332,341	55,639
Advanced HomeCare	19,039,252	16,445,933	2,593,319
Call-A-Nurse	1,470,446	1,381,689	88,757
Guilford Adult Health	573,571	495,178	78,393
Guilford Child Health	-	-	-
Unified HomeCare	-	-	-
Randolph Cancer Center	2,930,891	2,104,155	826,736
Morehead Heart Center	-	-	-
PACE of Guilford & Rockingham Co	(144,605)	(253,759)	109,154
PACE of Southern Piedmont*	(1,770,771)	(1,046,429)	(724,341)
Proficient Health LLC (booked at cost; ownership <20%)	1,050,000	1,050,000	-
Staywell Senior Care (booked at cost; ownership <20%)	315,000	157,500	157,500
JV held by ARMC	1,064,348	1,465,594	(401,247)
Consolidation Eliminations for >50% ownership	89,284	(132,495)	221,778
Total Investment in Joint Ventures	$ 44,013,479	$ 38,500,148	$ 5,513,331

(5) Long term debt consists of the following:

	June 30, 2014	September 30, 2013
Series 2001, fixed rate swap, principal payments begin in 2024	$ 85,200,000	$ 85,200,000
Series 2004, variable rate, principal payments begin in 2016	47,500,000	47,500,000
Series 2011, fixed rate, principle payments begin in 2013	54,425,000	60,170,000
Series 2011, variable rate, principle payments begin in 2016	47,885,000	47,980,000
Series 2011, variable rate, principle payments begin in 2013	98,875,000	99,500,000
Series 2007, fixed rate, principle payments begin in 2013		28,320,000
Series 2013 A, B and C	127,525,000	
Revolving credit agreement at variable rates	4,500,000	87,398,000
High Point Building Note	20,640,000	21,500,000
ARMC note	12,577,676	12,001,000
ARMC note		1,027,589
Note payable from consolidated joint venture	1,289,062	1,585,960
	$ 500,416,738	$ 492,182,549
Less current portion of long-term debt	108,425,079	104,220,463
Total Long-term debt	$ 391,991,659	$ 387,962,086

The average weighted interest rate on the Health System's long-term debt was approximately 1.89% on June 30, 2014 and approximately 1.17% for the September 30, 2013 period before the interest was capitalized.

Cone Health
Consolidating Balance Sheet
As Of June 30, 2014

	Operating Corporation	Alamance Regional Medical Center	Parent Corporation	Cone Health Foundation	Impact Alamance	Physician Enterprise	Eliminations & Other Entities	Consolidated
ASSETS								
Current Assets								
Cash	$ 18,677,755	$ 29,230,232	$ 5,242,373	$ 118,310	$ 9,955	$ 228,751	$ 621,479	$ 54,128,855
Short-term investments	10,990,907	-	21,245,881	686,202	96,027	-	-	33,019,018
Patient Receivables (net)	146,261,178	27,380,123	-	-	-	17,505,116	2,669,934	193,816,351
Other Receivables	188,585,089	75,589,837	(220,455,096)	(73,515)	(356,928)	(8,182,025)	(2,145,326)	32,962,036
Inventories	20,360,609	5,332,329	-	-	-	72,349	35,967	25,801,254
Prepaid Expenses	7,546,228	1,656,459	99,366	-	-	345,282	44,719	9,692,054
Other Current Assets	-	-	-	-	-	-	2,521,657	2,521,657
Total Current Assets	392,421,767	139,188,980	(193,867,475)	730,997	(250,945)	9,969,472	3,748,430	351,941,226
Plant and Property(net)								
Land and Land Improvements	-	36,602,955	24,680,895	-	-	-	-	61,283,850
Building and Fixed Equipment	2,415,607	253,789,384	430,151,078	-	8,873	1,276,642	769,476	688,411,060
Moveable Equipment	150,168,845	22,789,294	8,700	-	89,511	5,036,348	814,957	178,907,654
Real Estate	-	-	11,505,319	-	-	-	-	11,505,319
	152,584,452	313,181,633	466,345,992	-	98,384	6,312,991	1,584,432	940,107,883
Construction/Equipment In Progress	13,228,933	8,859,069	34,041,580	-	4,575	96,247	368,625	56,599,029
Total Plant and Property	165,813,384	322,040,702	500,387,572	-	102,959	6,409,238	1,953,057	996,706,912
Other Non Current Assets								
Marketable Securities	2,592,295	16,702,023	654,652,051	116,414,165	60,635,249	-	6,587,966	857,583,749
Joint Ventures	40,979,020	1,064,348	-	-	-	-	1,970,111	44,013,479
Investments in unrelated entities			75,000					75,000
Debt Service Funds Held By Bond Truste	-	-	9,109,624	-	-	-	(9,109,624)	-
Subtotal Investments	43,571,315	17,766,371	663,836,674	116,414,165	60,635,249	-	(551,546)	901,672,228
Deferred Costs	79,478	-	3,573,324	-	-	-	7,539	3,660,341
Other Assets	17,909,235	3,087,469	450,439	-	-	9,580,056	9,677,573	40,704,772
Non-Compete Agreement	-	-	-	-	-	-	-	-
Goodwill	4,970,935	-	778,815	-	-	780,896	2,416,493	8,947,138
Total Other Non-Current Assets	22,959,648	3,087,469	4,802,578	-	-	10,360,952	12,101,604	53,312,251
TOTAL ASSETS	$624,766,114	$482,083,521	$975,159,349	$117,145,162	$60,487,263	$26,739,662	$17,251,546	$2,303,632,617
LIABILITIES AND NET ASSETS								
Current Liabilities								
Accrued Payroll	$ 30,086,993	$ -	$ 37,505	$ 16,189	$ 34,683	$ 12,908,538	$ 1,387,097	$ 44,471,004
Accounts Payable	25,389,779	27,155,117	2,333,083	11,728	46,805	(481,361)	72,713	54,527,864
PAL & Retirement	12,870,426	-	-	-	-	15,426,508	(192,807)	28,104,127
Bonds Payable	-	722,118	11,905,000	0	0	-	-	12,627,118
Short Term Debt, Line of Credit	-	-	95,385,000	-	-	-	412,961	95,797,961
Other Current Liabilities	28,962,511	4,365,748	17,984,032	1,113,215	-	-	(97,866)	52,327,641
Total Current Liabilities	97,309,710	32,242,983	127,644,620	1,141,131	81,488	27,853,685	1,582,099	287,855,716
Debt and Other Liabilities								
Bonds Payable	-	-	354,980,000	-	-	-	-	354,980,000
Long Term Debt	4,375,000	11,855,558	24,280,000	0	0	-	(3,498,899)	37,011,659
Capital Lease Obligation	3,653,376	4,969	-	-	-	-	6,930	3,665,276
Other Non-Current Liabilities	79,384,348	14,627,571	723,075	4,340,289	-	9,624,129	9,791,607	118,491,018
Total Liabilities	184,722,434	58,731,081	507,627,695	5,481,420	81,488	37,477,814	7,881,737	802,003,668
Net Assets								
Unrestricted	433,349,150	413,667,943	467,531,654	111,663,742	60,405,775	(10,738,152)	6,035,405	1,481,915,518
Noncontrolling Interests	(1,448,812)	5,733,145	-	-	-	-	4,334,403	8,618,736
Total Unrestricted Net Assets	431,900,338	419,401,088	467,531,654	111,663,742	60,405,775	(10,738,152)	10,369,808	1,490,534,254
Temporarily Restricted	8,143,343	3,951,352	-	-	-	-	(1,000,000)	11,094,695
Total Restricted Net Assets	8,143,343	3,951,352	-	-	-	-	(1,000,000)	11,094,695
TOTAL LIAB. AND NET ASSETS	$624,766,114	$482,083,521	$975,159,349	$117,145,162	$60,487,263	$26,739,662	$17,251,545	$2,303,632,617

Cone Health
Consolidated Statements of Operations
June 30, 2014 and June 30, 2013

	QUARTER-TO-DATE					YEAR-TO-DATE				
	ACTUAL 6/30/14	BUDGET 6/30/14	Act./Bud. % VAR	ACTUAL 6/30/13	Act./Act. % VAR	ACTUAL 6/30/14	BUDGET 6/30/14	Act./Bud. % VAR	ACTUAL 6/30/13	Act./Act. % VAR
REVENUE										
Patient Service Revenue (net of contractual allowances and discounts)	$ 365,619,322	$ 359,504,816	1.70%	$ 343,708,527	6.37%	$ 1,080,248,184	$ 1,092,911,837	-1.16%	$ 1,020,521,791	5.85%
Provision for bad debts (Note 1)	$ 31,339,332	$ 31,709,859	-1.17%	$ 25,778,070	21.57%	$ 95,038,677	$ 94,467,811	0.60%	$ 77,745,916	22.24%
Net Patient Service Revenue (Note 2)	**$ 334,279,990**	**$ 327,794,957**	**1.98%**	**$ 317,930,457**	**5.14%**	**$ 985,209,507**	**$ 998,444,026**	**-1.33%**	**$ 942,775,875**	**4.50%**
Other Operating Revenue	14,073,307	15,298,730	-8.01%	11,648,634	20.82%	39,249,132	36,037,773	8.91%	35,742,767	9.81%
Total Operating Revenues	**348,353,297**	**343,093,687**	**1.53%**	**329,579,091**	**5.70%**	**1,024,458,639**	**1,034,481,799**	**-0.97%**	**978,518,642**	**4.69%**
EXPENSE										
Salaries and Wages	134,420,172	136,097,020	1.23%	137,127,101	1.97%	400,191,091	417,356,337	4.11%	417,837,137	4.22%
Fringe Benefits	47,075,295	45,826,858	-2.72%	47,599,562	1.10%	138,398,782	137,151,175	-0.91%	141,882,881	2.46%
Purchased Personnel	2,818,528	2,319,282	-21.53%	3,529,099	20.13%	8,371,543	7,043,208	-18.86%	11,396,248	26.54%
Supplies	67,301,420	62,707,763	-7.33%	59,697,486	-12.74%	194,926,256	189,698,510	-2.76%	182,676,258	-6.71%
Other Operating Expense	63,988,545	61,469,432	-4.10%	58,574,901	-9.24%	189,211,335	191,478,584	1.18%	180,706,721	-4.71%
Depreciation/Amortization	23,730,103	24,691,867	3.90%	20,750,073	-14.36%	67,765,682	72,900,274	7.04%	61,773,944	-9.70%
TOTAL OPERATING EXPENSE	**339,334,063**	**333,112,222**	**-1.87%**	**327,278,222**	**-3.684%**	**998,864,689**	**1,015,628,088**	**1.65%**	**996,273,189**	**-0.26%**
INCOME FROM OPERATIONS	**9,019,234**	**9,981,465**	**-9.64%**	**2,300,869**	**291.99%**	**25,593,950**	**18,853,711**	**35.75%**	**(17,754,547)**	**-244.15%**
OTHER INCOME										
Investment Income (Note 3)	16,842,143	7,746,057	117.43%	13,800,584	22.04%	31,059,769	23,219,046	33.77%	41,017,374	-24.28%
Joint Venture Income(Note 4)	1,562,172	931,624	67.68%	1,628,509	-4.07%	5,890,397	2,845,200	107.03%	4,300,983	36.95%
Purchase Amortization Expense	-	-	100.00%	-	0.00%	-	-	0.00%	-	0.00%
Interest Expense	(2,576,152)	(2,597,901)	0.84%	(1,288,667)	-99.91%	(6,988,193)	(7,727,708)	9.57%	(4,112,573)	69.92%
Other, Net (Note 4)	(3,415,066)	(2,660,473)	-28.36%	(6,903,266)	50.53%	(12,750,841)	(10,719,341)	-18.95%	(17,984,162)	29.10%
Total Other Income	**12,413,097**	**3,419,307**	**263.03%**	**7,237,160**	**71.52%**	**17,211,132**	**7,617,197**	**125.95%**	**23,221,622**	**-25.88%**
EXCESS OF REVENUES OVER EXPENSE BEFORE MINORITY INTEREST	**21,432,331**	**13,400,772**	**59.93%**	**9,538,029**	**124.70%**	**42,805,082**	**26,470,908**	**61.71%**	**5,467,075**	**682.96%**
Minority Interest Expense	(89,439)	887,150	110.08%	(800,419)	88.83%	1,036,297	2,605,795	60.23%	(732,828)	-241.41%
EXCESS OF REVENUES OVER EXPENSE (Note 5)	**21,521,770**	**12,513,622**	**71.99%**	**10,338,448**	**108.2%**	**41,768,785**	**23,865,113**	**75.0%**	**6,199,903**	**573.7%**
Change In Net Unrealized Gains and Losses on Investments (Note 3)	9,523,125	-	100.00%	(9,995,602)	-195.27%	35,624,859	-	100.00%	7,924,546	-349.55%
Change In AOCI	0	-	0.00%	0	0.00%	0	-	0.00%	0	0.00%
INCREASE IN UNRESTRICTED NET ASSETS	**$ 31,044,895**	**$ 12,513,622**	**148.09%**	**$ 342,846**	**8955.06%**	**$ 77,393,644**	**$ 23,865,113**	**224.30%**	**14,124,449**	**447.94%**

Cone Health
Notes to the Consolidated Income Sheets
June 30, 2014 and June 30, 2013

Footnotes:

(1) Bad debt expense represents that portion of net patient service revenue which , while not a contractual adjustment or charity care, proves to be uncollectible. Bad debt expense includes the provision for uncollectible less any recoveries of accounts previously written off, as follows:

	QUARTER-TO-DATE			YEAR-TO-DATE		
	Actual 6/30/14	Budget 6/30/14	Actual 6/30/13	Actual 6/30/14	Budget 6/30/14	Actual 6/30/13
Provision for bad debts	$ (32,627,729)	$ (33,077,400)	$ (27,180,805)	$ (99,260,567)	$ (98,591,601)	$ (81,772,820)
Collection Costs	(221,459)	(346,488)	(221,232)	(663,314)	(1,075,786)	(1,128,789)
Recoveries	1,509,856	1,714,029	1,623,966	4,885,205	5,199,577	5,155,693
Bad debt expense	$ (31,339,332)	$ (31,709,859)	$ (25,778,071)	($95,038,676)	($94,467,810)	($77,745,916)

(2) Patient service revenue is recorded at the amount which the hospital expects to receive. Gross charges are reduced by contractual adjustments and by amounts deemed to be charity care in order to arrive at this figure, as follows:

	QUARTER-TO-DATE			YEAR-TO-DATE		
	Actual 6/30/14	Budget 6/30/14	Actual 6/30/13	Actual 6/30/14	Budget 6/30/14	Actual 6/30/13
Gross Charges	$ 809,790,790	$ 786,036,273	$ 741,854,764	$ 2,399,179,527	$ 2,387,407,968	$ 2,211,938,749
Contractual Adjustments	(418,092,865)	(396,501,570)	(375,318,041)	(1,233,107,956)	(1,204,316,020)	(1,108,783,394)
Charity Care	(41,835,141)	(46,743,400)	(40,838,544)	(135,007,662)	(140,320,650)	(128,256,409)
Bad Debt Expense	(31,339,332)	(31,709,859)	(25,778,071)	(95,038,676)	(94,467,810)	(77,745,916)
Disproportionate Share	15,756,538	16,713,513	18,010,349	49,184,274	50,140,538	45,622,845
Net Patient Service Revenue	$ 334,279,990	$ 327,794,957	$ 317,930,457	$ 985,209,507	$ 998,444,026	$ 942,775,875

(3) Net realized gains and losses from sales of securities as well as interest and dividend income are included in Investment Income. Unrealized gains and losses are included after revenues over expenses. Those amounts by manager are as follows:

	QUARTER-TO-DATE				YEAR-TO-DATE			
	June 30, 2014		June 30,2013		June 30, 2014		June 30,2013	
	Investment Income	Unrealized Gains(Losses)	Investment Income	Unrealized Gains(Losses)	Investment Income	Unrealized Gains(Losses)	Investment Income	Unrealized Gains(Losses)
Health System	$ 13,984,929	$ 6,313,782	$ 12,491,974	$ (5,277,988)	$ 25,266,080	$ 25,019,575	$ 31,863,443	$ 10,247,744
Alamance Regional Medical Center:	$ 276,033	$ -	$ (225,773)	$ (1,181,783)	$ 2,096,111		$ 4,230,264	$ (1,181,783)
Alamance Foundation:	$ 13,755	$ 2,464,328	$ 178,055	$ (1,499,054)	$ 17,290	$ 5,938,339	$ 178,055	$ (1,499,054)
Foundation	$ 2,567,426	$ 745,014	$ 1,356,328	$ (2,036,776)	$ 3,680,289	$ 4,666,944	$ 4,745,612	$ 357,639
Total - Investment Income/Unrealized Gain/Loss	$ 16,842,143	$ 9,523,125	$ 13,800,584	$ (9,995,602)	$ 31,059,769	$ 35,624,859	$ 41,017,374	$ 7,924,546

* Per Generally Accepted Accounting Principles gain or loss on market value cannot be recognized because common exchange does not exist.

Cone Health
Notes to the Consolidated Income Sheets
June 30, 2014 and June 30, 2013

(4) Other, Net includes income from the joint ventures as well as expenses related to the operations of the Parent and Foundation. The joint venture income is included in the statements on the equity method in the amount attributable to the Health System's interest in the venture.

	QUARTER-TO-DATE			YEAR-TO-DATE		
	Actual 06/30/14	Budget 06/30/14	Actual 06/30/13	Actual 06/30/14	Budget 06/30/14	Actual 06/30/13
Joint Venture Income (Non-Operating Entities):						
Clarity (HCCI)	-	-	-	-	-	-
Clarity (HCCR)	-	-	-	-	-	-
Greensboro HealthCare Network	-	-	(95,128)	63,656	-	(368,575)
Piedmont Community Health Care Alliance	-	-	-	-	-	-
Day Surgery Center of Greensboro	11,866	5,485	5,738	32,807	19,653	19,522
Consolidation Eliminations for >50% ownership*	-	-		-	-	-
Sub-total Non-Operating Joint Venture Income	11,866	5,485	(89,390)	96,463	19,653	(349,053)
Joint Venture Income (Operating Entities):						
Advanced HomeCare	$ 625,582	$ 432,876	$ 1,101,794	$ 2,593,319	$ 1,298,627	$ 2,322,203
Hospice at Greensboro	196,399	31,250	40,371	1,500,348	93,750	500,870
Diagnostic Radiology & Imaging	524,556	241,577	308,255	1,492,485	724,730	1,363,966
NSC Greensboro West (Spine JV Holding Co)*	395,464	420,000	334,453	1,428,490	1,208,259	1,396,423
Cardiovascular Diagnostic Center*	74,356	82,530	94,483	207,638	198,175	225,249
Call-A-Nurse	81,782	24,000	60,000	88,757	81,390	235,986
Guilford Adult Health	15,419	4,036	18,918	78,393	12,109	(23,074)
Guilford Child Health	-	-	-	-	-	-
Unified HomeCare	-	-	-	-	-	-
Randolph Cancer Center	126,240	106,250	149,126	(68,522)	318,750	190,108
Morehead Heart Center	-	-	-	-	-	-
The Healthcare Alliance	-	-	-	-	-	-
PACE of Guilford & Rockingham Co.	(19,672)	86,150	39,435	109,154	296,191	59,977
PACE of Southern Piedmont	(254,420)	24,734	(255,292)	(724,341)	(336,986)	(533,031)
Consolidation Eliminations for >50% ownership*	(215,400)	(527,264)	(173,644)	(911,787)	(1,069,448)	(1,088,641)
Sub-total Operating Joint Venture Income	1,550,306	926,139	1,717,899	5,793,934	2,825,547	4,650,036
Total Joint Venture Income	$ 1,562,172	$ 931,624	$ 1,628,509	$ 5,890,397	$ 2,845,200	$ 4,300,983
Other Expenses						
Investment Manager Fees	$ 553,700	$ 582,480	$ 561,592	$ 2,130,354	$ 1,897,445	$ 1,672,634
Debt Expenses	346,056	278,810	253,587	1,019,385	836,676	700,390
Allocated Expenses	1,878,761	494,882	3,547,120	5,763,364	5,555,971	10,689,700
Contribution Expense	10,250	10,250	1,010,250	10,250	10,250	1,010,250
Extraordinary gain/loss on extinguishment of debt	-	-	-	1,915,739	-	-
Other, Miscellaneous	243,141	243,748	1,295,256	762,532	1,234,179	4,194,769
Foundation Operating expense	373,945	1,055,788	376,723	1,194,845	1,204,473	1,019,738
Foundation Grant expense	21,079	-	-	50,835	-	(30,006)
Total Expenses	$ 3,426,932	$ 2,665,958	$ 7,044,528	$ 12,847,304	$ 10,738,994	$ 19,257,475
Other, Net	$ (3,415,066)	$ (2,660,473)	$ (7,133,918)	$ (12,750,841)	$ (10,719,341)	$ (19,606,528)

Cone Health
Notes to the Consolidated Income Sheets
June 30, 2014 and June 30, 2013

(5) Detail and reconciliation of consolidated excess of revenues over expenses for the Operating, Parent, Foundation and other consolidated entities.

	QUARTER-TO-DATE			YEAR-TO-DATE		
	Actual 06/30/14	Budget 06/30/14	Actual 06/30/13	Actual 06/30/14	Budget 06/30/14	Actual 06/30/13
Operating Entities Income from Operations	$ 10,114,283	$ 9,343,396	$ 2,734,682	$ 27,807,399	$ 20,870,019	$ (17,898,143)
Parent/Other Entity Income from Operations	(1,023,163)	717,598	(374,650)	(1,980,899)	(1,777,718)	311,659
Operating Grant Revenue from Foundation (eliminated)	(71,886)	(79,530)	(59,163)	(232,550)	(238,590)	(168,063)
Total Income from Operations	9,019,234	9,981,464	2,300,869	25,593,950	18,853,711	(17,754,547)
Operating Entities Non-Operating Income	1,867,478	126,542	2,338,823	8,148,435	4,190,459	12,094,467
Parent Non-Operating Income	8,439,016	(1,208,581)	1,772,842	6,698,843	(812,183)	2,470,619
Other Consolidated Affiliates Non-Operating Income	2,291,095	4,664,497	2,106,165	2,915,728	4,843,941	9,176,425
Foundation Income from Operations	(184,492)	(163,151)	(193,705)	(551,874)	(605,020)	(519,888)
Total Non-Operating Income	12,413,097	3,419,307	6,024,125	17,211,132	7,617,197	23,221,623
Excess of Rev over Exp before Minority Interest	21,432,331	13,400,771	8,324,994	42,805,082	26,470,908	5,467,076
Minority Interest	(89,439)	887,150	(800,419)	1,036,297	2,605,795	(732,828)
Excess of Revenues over Expense	$ 21,521,770	$ 12,513,621	$ 9,125,413	$ 41,768,785	$ 23,865,113	$ 6,199,904

(6) The Parent Company (non-consolidated) Income Statement is as follows:

	QUARTER-TO-DATE			YEAR-TO-DATE		
	Actual 06/30/14	Budget 06/30/14	Actual 06/30/13	Actual 06/30/14	Budget 06/30/14	Actual 06/30/13
INCOME:						
Investment Income	$13,916,616	$6,012,008	$12,377,135	$25,092,359	$18,023,889	$31,209,154
Lease Income	7,802,608	8,055,492	6,537,736	23,516,929	24,186,054	19,762,080
Joint Venture	-	-	-	-	-	-
Other Income	419	519	360,819	163,677	1,556	1,437,753
Total Income	21,719,643	14,068,019	19,275,690	48,772,965	42,211,499	52,408,987
Expenses:						
Interest Expense	2,576,152	2,597,901	1,288,667	6,988,193	7,727,708	4,112,573
Debt Expense	346,056	278,810	253,587	1,019,385	836,676	700,390
Investment Expense	553,700	582,480	561,592	2,130,354	1,897,445	1,672,634
Depreciation/Amortization Exp.	7,808,459	8,041,709	6,602,714	23,540,276	24,147,056	19,871,997
Contribution Expense	10,250	10,250	1,010,250	10,250	10,250	1,010,250
Other Miscellaneous Expense	1,130,412	1,200,075	4,613,568	4,603,199	4,626,294	11,569,165
Allocated Expense	1,878,761	1,847,777	3,547,120	5,763,364	5,555,971	10,689,700
Total Expenses	14,303,790	14,559,002	17,877,498	44,055,021	44,801,400	49,626,709
Excess of Revenue over Expense	7,415,853	(490,983)	1,398,192	4,717,944	(2,589,901)	2,782,278
Change in Unrealized Gains & Losses on Investments	6,303,091	-	(5,162,351)	24,910,881	-	10,585,746
Increase In Unrestricted Net Assets	13,718,944	(490,983)	(3,764,159)	29,628,825	(2,589,901)	13,368,024

Cone Health
Consolidating Statement of Operations
Fiscal Quarter Ended June 30, 2014

	Operating Corporation	Alamance Regional Medical Center	Parent Corporation	Cone Health Foundation	Impact Alamance	Physician Enterprise	Eliminations & Other Entities	Consolidated
REVENUE								
Patient Service Revenue (net of contractual allowances and discounts	$ 264,261,814	$ 67,522,220	$ -	$ -	$ -	$ 30,004,668	$ 3,830,619	$ 365,619,322
Provision for bad debts	23,335,804	6,385,433	-	-	-	1,356,096	261,998	$ 31,339,332
Net Patient Service Revenue	**240,926,010**	**61,136,787**	**-**	**-**	**-**	**28,648,572**	**3,568,621**	**334,279,990**
Other Operating Revenue	8,971,045	3,335,417	7,803,027	1,274	-	2,529,836	(8,567,291)	14,073,307
Total Operating Revenues	**249,897,055**	**64,472,204**	**7,803,027**	**1,274**	**-**	**31,178,407**	**(4,998,670)**	**348,353,297**
EXPENSE								
Salaries and Wages	89,304,102	24,902,351	158,531	113,172	69,568	18,197,118	1,675,331	134,420,172
Fringe Benefits	36,232,474	6,262,851	55,906	49,873	24,716	4,246,502	202,973	47,075,295
Purchased Personnel	1,596,167	1,023,472	-	-	-	193,881	5,008	2,818,528
Supplies	52,687,868	11,589,576	1,016	1,621	(5,676)	2,443,669	583,346	67,301,420
Other Operating Expense	52,389,393	13,145,038	2,793,720	92,987	45,576	6,993,618	(11,471,787)	63,988,545
Depreciation/Amortization	9,789,700	5,503,576	7,808,459	-	12,284	492,460	123,624	23,730,103
TOTAL OPERATING EXPENSE	**241,999,703**	**62,426,864**	**10,817,632**	**257,652**	**146,469**	**32,567,249**	**(8,881,505)**	**339,334,063**
INCOME FROM OPERATIONS	**7,897,351**	**2,045,340**	**(3,014,605)**	**(256,378)**	**(146,469)**	**(1,388,841)**	**3,882,835**	**9,019,234**
OTHER INCOME								
Investment Income	60,653	276,033	13,967,969	2,567,426	13,755	-	(43,693)	16,842,143
Joint Venture Income	2,020,126	-	0	0	0	-	(457,954)	1,562,172
Interest Expense	-	-	(2,576,152)	-	-	-	-	(2,576,152)
Other, Net	(41,710)	141,141	(961,359)	(138,646)	(36,523)	(2,092)	(2,375,877)	(3,415,066)
Total Other Income	**2,039,069**	**417,174**	**10,430,457**	**2,428,780**	**(22,768)**	**(2,092)**	**(2,877,524)**	**12,413,097**
EXCESS OF REVENUES OVER EXPENSE BEFORE MINORITY INTEREST	**9,936,420**	**2,462,514**	**7,415,853**	**2,172,402**	**(169,237)**	**(1,390,933)**	**1,005,311**	**21,432,331**
Minority Interest	(208,162)	47,458	-	-	-	-	71,265	(89,439)
EXCESS OF REVENUES OVER EXPENSE	**10,144,582**	**2,415,056**	**7,415,853**	**2,172,402**	**(169,237)**	**(1,390,933)**	**934,046**	**21,521,770**
Change In Net Unrealized Gains and Losses on Investments	10,691	0	6,303,091	745,014	2,464,328	0	0	9,523,125
INCREASE IN UNRESTRICTED NET ASSETS	**$ 10,155,274**	**$ 2,415,056**	**$ 13,718,944**	**$ 2,917,417**	**$ 2,295,091**	**$ (1,390,933)**	**$ 934,046**	**$ 31,044,895**

Cone Health
Consolidating Statement of Operations
Fiscal Year-to-Date Period Ended June 30, 2014

	Operating Corporation	Alamance Regional Medical Center	Parent Corporation	Cone Health Foundation	Impact Alamance	Physician Enterprise	Eliminations & Other Entities	Consolidated
REVENUE								
Patient Service Revenue (net of contractual allowances and discounts	$ 784,928,641	$ 195,776,317	$ -	$ -	$ -	$ 87,249,320	$ 12,293,905	$ 1,080,248,184
Provision for bad debts	71,689,588	18,798,316	-	-	-	4,003,808	546,965	$ 95,038,677
Net Patient Service Revenue	**713,239,053**	**176,978,001**	-	-	-	**83,245,512**	**11,746,941**	**985,209,507**
Other Operating Revenue	24,999,255	9,605,889	23,680,606	5,332	-	7,176,101	(26,218,051)	39,249,132
Total Operating Revenues	**738,238,307**	**186,583,890**	**23,680,606**	**5,332**	-	**90,421,613**	**(14,471,110)**	**1,024,458,639**
EXPENSE								
Salaries and Wages	267,393,249	73,912,709	459,830	393,509	157,569	52,128,537	5,745,689	400,191,091
Fringe Benefits	105,216,944	19,623,882	161,623	157,067	78,368	12,406,344	754,556	138,398,783
Purchased Personnel	4,310,740	3,621,085	-	-	-	431,290	8,428	8,371,543
Supplies	151,781,007	33,799,453	38,311	11,590	8,870	7,518,947	1,768,078	194,926,256
Other Operating Expense	156,952,340	38,298,458	9,199,175	227,589	68,412	20,390,511	(35,925,151)	189,211,335
Depreciation/Amortization	29,089,758	13,347,921	23,540,276	-	12,284	1,409,500	365,942	67,765,682
TOTAL OPERATING EXPENSE	**714,744,037**	**182,603,507**	**33,399,216**	**789,756**	**325,503**	**94,285,128**	**(27,282,459)**	**998,864,689**
INCOME FROM OPERATIONS	**23,494,270**	**3,980,383**	**(9,718,611)**	**(784,424)**	**(325,503)**	**(3,863,515)**	**12,811,349**	**25,593,950**
OTHER INCOME								
Investment Income	155,404	2,096,111	25,244,139	3,680,289	17,290	-	(133,462)	31,059,769
Joint Venture Income	7,430,063	-	0	0	0	-	(1,539,666)	5,890,397
Interest Expense	-	-	(6,988,193)	-	-	-	-	(6,988,193)
Other, Net	265,275	(1,465,671)	(3,819,391)	(461,256)	(95,035)	(26,297)	(7,148,466)	(12,750,841)
Total Other Income	**7,850,741**	**630,440**	**14,436,555**	**3,219,032**	**(77,745)**	**(26,297)**	**(8,821,594)**	**17,211,133**
EXCESS OF REVENUES OVER EXPENSE BEFORE MINORITY INTEREST	**31,345,012**	**4,610,823**	**4,717,945**	**2,434,609**	**(403,249)**	**(3,889,812)**	**3,989,755**	**42,805,083**
Minority Interest Expense	(592,642)	142,793	-	-	-	-	1,486,147	1,036,297
EXCESS OF REVENUES OVER EXPENSE	**31,937,654**	**4,468,030**	**4,717,945**	**2,434,609**	**(403,249)**	**(3,889,812)**	**2,503,608**	**41,768,785**
Change In Net Unrealized Gains and Losses on Investments	108,694	0	24,910,881	4,666,944	5,938,339	0	0	35,624,859
INCREASE IN UNRESTRICTED NET ASSETS	**$ 32,046,348**	**$ 4,468,030**	**$ 29,628,825**	**$ 7,101,553**	**$ 5,535,091**	**$ (3,889,812)**	**$ 2,503,608**	**$ 77,393,644**

Cone Health
Consolidated Statements of Cash Flows
June 30, 2014 and June 30, 2013

	June 30, 2014	September 30, 2013
CASH FLOWS FROM OPERATING AND NON OPERATING ACTIVITIES		
CASH PROVIDED BY OPERATING ACTIVITIES		
Increase (Decrease) in net assets	$ 90,162,354	$ 324,073,561
Adjustments to reconcile revenue and gains in excess of expenses and losses to net cash provided by operating activities:		
Change in net unrealized gains and losses on investments	(26,101,734)	(13,540,267)
Change in fair value of the floating-to-fixed swap agreement	2,898,669	(10,268,624)
Inherent contribution from the acquisition of ARMC	-	(286,722,249)
Net realized gains on sale of investments	(11,255,246)	(31,479,551)
Depreciation and amortization	67,765,682	74,166,825
Provision for uncollectible accounts	95,038,677	119,391,631
Accumulated or Other Comprehensive Income (FAS 158)	-	(38,460,862)
Funding in excess of net periodic pension cost	-	3,931,709
Gain on disposal of property and equipment	-	302,392
Equity in earnings of unconsolidated entities	(5,890,397)	(5,820,782)
Distributions from unconsolidated affiliates	377,065	7,075,132
(Increase) Decrease in patient accounts receivable	(99,231,561)	(90,634,477)
(Increase) Decrease in other current assets	9,215,444	(10,069,375)
(Increase) Decrease in inventory	(1,400,279)	(2,810,018)
Increase (Decrease) in accounts payable and accrued expenses	(18,497,112)	12,725,993
Change in other operating assets and liabilities, net	4,829,808	(6,513,608)
Net cash provided by operating activities and gains and losses	$ 107,911,372	45,347,430
CASH FLOWS FROM INVESTING ACTIVITY		
Additions to Property, Plant and Equipment	(85,392,064)	(166,000,338)
Proceeds from sale of poperty and equipmet	-	67,218
Liquidation of trusted funds for capital expenditures		29,809,250
(Increase)/decrease in investment portfolios	12,373,949	62,511,303
Acquisiton of physician practice		(781,315)
Investments in unconsolidated affiliated entities		114,671
Net cash used in investing activities	(73,018,115)	(74,279,211)
CASH FLOWS FROM FINANCING ACTIVITY		
Proceeds from debt issuances	130,607,664	108,898,274
Repayments of debt	(122,373,475)	(69,836,514)
Payments on capital lease obligations	(894,007)	(1,315,230)
Net cash provided by (used in) financing activities	7,340,182	$37,746,529
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	42,233,439	8,814,748
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	11,895,416	3,080,668
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 54,128,855	$ 11,895,416

CONE HEALTH OPERATIONS (Operating Corporation and Physician Services only)
CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE QUARTER ENDED JUNE 30, 2014

	Moses Cone Hospital	Wesley Long Hospital	Women's Hospital	Annie Penn Hospital	Behavioral Health Hospital	Health Services Division	Cancer Center	Systemwide Division	Physician Services	Operating Corp Total
Gross patient revenue										
Inpatient gross revenue	$ 167,023,056	$ 47,343,594	$ 30,694,048	$ 14,017,496	$ 6,207,565	$ 1,137,731	$ 395,682	$ 826	$ -	$ 266,819,997
Outpatient gross revenue	129,807,719	60,272,077	14,993,347	31,264,636	463,677	19,841,627	13,775,843	79,572	-	270,498,498
Professional fee gross revenue	4,454,673	284,629	3,607,896	3,160,787	2,274,793	5,273,310	35,699,134	-	18,703,377	73,458,599
Long term care gross revenue	-	-	-	-	-	2,762,444	-	-	-	2,762,444
Total gross patient revenue	301,285,448	107,900,300	49,295,290	48,442,920	8,946,035	29,015,112	49,870,659	80,398	18,703,377	613,539,539
Deductions from revenue										
Contractual adjustments	(164,180,196)	(54,322,324)	(26,774,166)	(28,063,315)	(4,508,339)	(14,077,650)	(26,456,972)	-	(10,044,755)	(328,427,716)
Charity care	(16,675,753)	(8,645,319)	(2,408,603)	(3,757,003)	(234,034)	(2,875,125)	(851,776)	-	(202,396)	(35,650,008)
Bad debt expense	(9,357,747)	(5,225,057)	(1,793,755)	(1,976,449)	(480,569)	(1,171,281)	(2,594,323)	-	(736,624)	(23,335,804)
Other / DSH	6,886,661	1,523,354	4,520,026	726,150	833,291	108,802	201,717	-	-	14,800,000
Total deductions from revenue	(183,327,036)	(66,669,346)	(26,456,498)	(33,070,616)	(4,389,651)	(18,015,254)	(29,701,353)	-	(10,983,775)	(372,613,529)
Net patient revenue	117,958,413	41,230,954	22,838,792	15,372,304	4,556,384	10,999,858	20,169,306	80,398	7,719,602	240,926,010
Other operating revenue	1,929,286	1,100,972	199,157	253,134	12,783	1,704,662	183,553	3,008,270	579,227	8,971,045
Total operating revenues	119,887,699	42,331,925	23,037,949	15,625,438	4,569,167	12,704,520	20,352,859	3,088,668	8,298,829	249,897,055
Operating expenses										
Salaries and wages	31,452,539	10,832,466	8,790,411	4,462,007	2,782,769	4,585,511	2,799,544	15,139,156	8,459,699	89,304,102
Benefits	12,812,490	4,935,549	3,682,095	1,766,248	984,969	1,779,902	1,272,443	7,201,193	1,797,584	36,232,474
Purchased personnel	23,126	169	-	(2,889)	-	53,035	64,400	1,406,988	51,337	1,596,167
Professional services	2,129,149	803,782	469,011	681,673	98,165	498,315	2,047,418	7,687,625	423,713	14,838,850
Supplies	21,405,856	6,452,137	1,816,788	1,207,591	158,748	751,556	454,759	211,952	139,559	32,598,946
Pharmaceuticals	4,231,460	2,460,515	366,129	1,108,265	140,987	597,362	7,689,957	3,431,758	62,489	20,088,922
Other operating	36,257,850	13,390,075	6,462,707	3,889,050	1,510,285	1,633,193	2,240,116	(35,366,248)	(143,395)	29,873,634
Leases	3,376,738	1,267,177	391,471	510,079	137,770	1,258,081	642,931	92,662	-	7,676,908
Depreciation	2,631,634	762,342	438,329	208,056	13,899	263,657	373,402	5,032,430	65,951	9,789,700
Total operating expense	114,320,843	40,904,212	22,416,940	13,830,082	5,827,593	11,420,613	17,584,969	4,837,514	10,856,937	241,999,702
Income from operations	5,566,855	1,427,714	621,008	1,795,357	(1,258,426)	1,283,907	2,767,890	(1,748,846)	(2,558,107)	7,897,352
Other income (expense)										
Investment income	-	-	-	-	-	0	-	60,653	-	60,653
Joint venture income	568,019	98,200	-	-	-	1,227,667	126,240	-	-	2,020,126
Interest expense	-	-	-	-	-	-	-	-	-	-
Other non-operating revenue	(237,841)	-	-	9,850	-	(75)	-	9,096	-	(218,970)
Other non-operating expense	-	-	-	(25,751)	-	49,603	-	153,409	-	177,260
Minority Interest Expense	-	-	-	-	-	208,162	-	-	-	208,162
Total other income (expense)	330,179	98,200	-	(15,901)	-	1,485,357	126,240	223,158	-	2,247,231
Excess of revenues over expenses	5,897,034	1,525,913	621,008	1,779,455	(1,258,426)	2,769,264	2,894,130	(1,525,689)	(2,558,107)	10,144,583
Unrealized gain (loss) on investments	-	-	-	-	-	-	-	10,691	-	10,691
Change in unrestricted net assets	$ 5,897,034	$ 1,525,913	$ 621,008	$ 1,779,455	$ (1,258,426)	$ 2,769,264	$ 2,894,130	$ (1,514,997)	$ (2,558,107)	$ 10,155,275

CONE HEALTH OPERATIONS (Operating Corporation and Physician Services only)
CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE YEAR TO DATE PERIOD ENDED JUNE 30, 2014

	Moses Cone Hospital	Wesley Long Hospital	Women's Hospital	Annie Penn Hospital	Behavioral Health Hospital	Health Services Division	Cancer Center	Systemwide Division	Physician Services	Operating Corp Total
Gross patient revenue										
Inpatient gross revenue	$ 502,836,580	$ 148,838,699	$ 91,747,224	$ 41,562,709	$ 19,262,200	$ 3,005,562	$ 1,015,370	$ 5,755	$ -	$ 808,274,098
Outpatient gross revenue	379,780,151	179,459,133	45,170,654	92,542,374	2,176,457	55,460,104	40,524,282	249,939	-	795,363,092
Professional fee gross revenue	13,341,629	736,344	9,943,856	9,858,661	6,461,571	13,084,823	101,781,315	-	56,080,908	211,289,107
Long term care gross revenue	-	-	-	-	-	8,079,699	-	-	-	8,079,699
Total gross patient revenue	895,958,360	329,034,176	146,861,733	143,963,744	27,900,227	79,630,187	143,320,968	255,694	56,080,908	1,823,005,997
Deductions from revenue										
Contractual adjustments	(480,012,799)	(164,267,620)	(76,830,303)	(83,237,854)	(14,074,059)	(37,943,845)	(77,397,900)	-	(30,593,327)	(964,357,708)
Charity care	(54,489,644)	(27,324,666)	(8,387,109)	(12,430,859)	(839,411)	(9,458,028)	(2,446,325)	-	(743,606)	(116,119,647)
Bad debt expense	(29,651,345)	(15,813,370)	(5,672,272)	(6,456,517)	(2,039,559)	(2,934,742)	(6,907,222)	-	(2,214,562)	(71,689,588)
Other / DSH	19,711,310	4,359,778	12,934,769	2,077,995	2,384,593	326,405	605,151	-	-	42,400,000
Total deductions from revenue	(544,442,478)	(203,045,879)	(77,954,916)	(100,047,234)	(14,568,436)	(50,010,210)	(86,146,296)	-	(33,551,495)	(1,109,766,944)
Net patient revenue	351,515,882	125,988,297	68,906,817	43,916,509	13,331,791	29,619,977	57,174,672	255,694	22,529,414	713,239,053
Other operating revenue	4,720,080	2,858,072	481,266	679,254	27,290	4,683,297	543,953	9,877,646	1,128,373	24,999,231
Total operating revenues	356,235,962	128,846,369	69,388,083	44,595,763	13,359,081	34,303,274	57,718,625	10,133,340	23,657,786	738,238,284
Operating expenses										
Salaries and wages	95,405,466	33,683,551	26,329,237	13,347,475	8,138,771	12,840,725	8,538,842	44,256,979	24,852,204	267,393,249
Benefits	37,672,229	14,551,822	10,739,910	5,148,505	2,794,981	4,858,801	3,649,097	20,521,517	5,280,082	105,216,944
Purchased personnel	37,391	19,064	-	(2,889)	410	124,767	206,781	3,851,721	73,494	4,310,740
Professional services	6,635,432	2,465,104	1,527,764	2,108,527	401,309	1,597,422	6,671,013	22,199,537	986,142	44,592,249
Supplies	62,509,307	19,495,264	5,327,193	3,675,327	396,255	1,814,592	1,264,856	70,084	482,451	95,035,328
Pharmaceuticals	12,572,429	6,902,676	1,094,437	3,310,607	303,395	1,605,159	21,038,970	9,766,372	151,612	56,745,656
Other operating	110,394,367	40,944,522	19,530,364	11,746,066	4,805,125	3,776,945	6,535,732	(108,786,747)	263,576	89,209,951
Leases	10,303,961	3,806,879	1,165,154	1,490,960	415,061	3,800,147	1,891,186	276,793	-	23,150,140
Depreciation	7,874,635	2,298,936	1,315,692	594,742	40,905	835,094	1,107,366	14,855,026	167,363	29,089,758
Total operating expense	343,405,216	124,167,816	67,029,750	41,419,319	17,296,211	31,253,652	50,903,844	7,011,281	32,256,926	714,744,014
	-	-	-	-	-	-	-	-	-	-
Income from operations	12,830,746	4,678,553	2,358,334	3,176,445	(3,937,130)	3,049,622	6,814,781	3,122,059	(8,599,139)	23,494,270
Other income (expense)										
Investment income	-	-	-	-	-	30	-	155,374	-	155,404
Joint venture income	2,386,303	750,174	-	-	-	4,362,108	(68,522)	-	-	7,430,063
Interest expense	-	-	-	-	-	-	-	-	-	-
Other non-operating revenue	(285,784)	(427)	-	9,850	-	(3,605)	-	36,652	-	(243,314)
Other non-operating expense	-	-	-	(89,422)	-	150,029	-	447,982	-	508,589
Minority Interest Expense	-	-	-	-	-	592,642	-	-	-	592,642
Total other income (expense)	2,100,519	749,747	-	(79,572)	-	5,101,204	(68,522)	640,008	-	8,443,384
Excess of revenues over expenses	14,931,265	5,428,300	2,358,334	3,096,872	(3,937,130)	8,150,826	6,746,259	3,762,068	(8,599,139)	31,937,654
Unrealized gain (loss) on investments	-	-	-	-	-	-	-	108,694	-	108,694
Change in unrestricted net assets	$ 14,931,265	$ 5,428,300	$ 2,358,334	$ 3,096,872	$ (3,937,130)	$ 8,150,826	$ 6,746,259	$ 3,870,762	$ (8,599,139)	$ 32,046,348

CONE HEALTH OPERATIONS (Operating Corporation and Physician Services only)
STATEMENT OF OPERATIONS
FOR THE PERIOD ENDED JUNE 30, 2014

	Quarter Ended					Fiscal Year To Date				
	Jun Actual	Jun Budget	Var	% Var	Jun Prior Yr Actual	Jun-YTD Actual	Jun-YTD Budget	Var	% Var	Jun-YTD Prior Yr Actual
Gross patient revenue										
Inpatient gross revenue	$ 266,819,997	$ 277,350,646	$ (10,530,649)	-3.8%	$ 262,854,463	$ 808,274,098	$ 862,680,796	$ (54,406,697)	-6.3%	$ 813,570,861
Outpatient gross revenue	270,498,498	239,154,850	31,343,648	13.1%	218,191,228	795,363,092	705,725,944	89,637,148	12.7%	635,232,639
Professional fee gross revenue	73,458,599	70,675,302	2,783,297	3.9%	67,871,048	211,289,107	212,431,283	(1,142,176)	-0.5%	198,850,096
Long term care gross revenue	2,762,444	3,727,744	(965,300)	-25.9%	2,630,792	8,079,699	10,248,174	(2,168,476)	-21.2%	7,779,539
Total gross patient revenue	613,539,539	590,908,542	22,630,997	3.8%	551,547,531	1,823,005,997	1,791,086,197	31,919,799	1.8%	1,655,433,135
Deductions from revenue										
Contractual adjustments	(328,427,716)	(308,069,088)	(20,358,628)	-6.6%	(287,241,629)	(964,357,708)	(938,010,726)	(26,346,982)	-2.8%	(854,011,647)
Charity care	(35,650,008)	(40,330,424)	4,680,416	11.6%	(33,709,909)	(116,119,647)	(121,423,195)	5,303,548	4.4%	(106,686,328)
Bad debt expense	(23,335,804)	(18,923,616)	(4,412,188)	-23.3%	(19,017,400)	(71,689,588)	(58,080,045)	(13,609,544)	-23.4%	(56,617,582)
Other / DSH	14,800,000	13,800,000	1,000,000	-7.2%	16,300,000	42,400,000	41,400,000	1,000,000	-2.4%	42,899,999
Total deductions from revenue	(372,613,529)	(353,523,128)	(19,090,401)	-5.4%	(323,668,938)	(1,109,766,944)	(1,076,113,966)	(33,652,977)	-3.1%	(974,415,558)
Net patient revenue	240,926,010	237,385,413	3,540,597	1.5%	227,878,593	713,239,053	714,972,231	(1,733,178)	-0.2%	681,017,576
Other operating revenue	8,971,045	8,241,667	729,377	8.8%	6,806,975	24,999,231	21,624,566	3,374,665	15.6%	19,522,294
Total operating revenues	249,897,055	245,627,081	4,269,974	1.7%	234,685,568	738,238,284	736,596,797	1,641,487	0.2%	700,539,870
Operating expenses										
Salaries and wages	89,304,102	91,749,555	2,445,453	2.7%	91,309,840	267,393,249	277,085,976	9,692,727	3.5%	281,519,638
Benefits	36,232,474	35,013,124	(1,219,349)	-3.5%	36,678,295	105,216,944	104,640,387	(576,557)	-0.6%	108,560,283
Purchased personnel	1,596,167	1,499,181	(96,986)	-6.5%	1,987,117	4,310,740	4,494,674	183,934	4.1%	7,168,377
Professional services	14,838,850	13,535,780	(1,303,071)	-9.6%	15,555,781	44,592,249	43,518,654	(1,073,595)	-2.5%	49,532,008
Supplies	32,598,946	31,727,105	(871,841)	-2.7%	29,552,595	95,035,328	95,378,496	343,168	0.4%	92,251,016
Pharmaceuticals	20,088,922	17,204,716	(2,884,206)	-16.8%	16,191,584	56,745,656	51,965,789	(4,779,867)	-9.2%	48,377,287
Other operating	29,873,634	29,905,205	31,571	0.1%	26,317,004	89,209,951	90,632,905	1,422,955	1.6%	81,660,374
Leases	7,676,908	7,964,570	287,662	3.6%	6,339,718	23,150,140	23,916,627	766,487	3.2%	18,928,843
Depreciation	9,789,700	11,306,767	1,517,068	13.4%	9,739,696	29,089,758	32,802,388	3,712,630	11.3%	28,341,754
Total operating expense	241,999,702	239,906,003	(2,093,699)	-0.9%	233,671,630	714,744,014	724,435,896	9,691,882	1.3%	716,339,580
Income from operations	7,897,352	5,721,077	2,176,275	38.0%	1,013,938	23,494,270	12,160,901	11,333,369	93.2%	(15,799,710)
Other income (expense)										
Investment income	60,653	78,275	(17,621)	-22.5%	84,695	155,404	234,824	(79,420)	-33.8%	604,293
Joint venture income	2,020,126	1,428,669	591,457	41.4%	2,146,835	7,430,063	4,231,981	3,198,082	75.6%	6,271,708
Interest expense	-	-	-	0.0%	-	-	-	-	0.0%	-
Other non-operating revenue	(218,970)	20,683	(239,653)	-1158.7%	19,876	(243,314)	60,049	(303,363)	-505.2%	58,475
Other non-operating expense	177,260	165,396	11,864	7.2%	223,959	508,589	515,500	(6,911)	-1.3%	6,809
Minority Interest Expense	208,162	(20,237)	228,399	-1128.6%	208,875	592,642	275,716	316,926	114.9%	436,116
Total other income (expense)	2,247,231	1,672,786	574,446	34.3%	2,684,241	8,443,384	5,318,070	3,125,314	58.8%	7,377,401
Excess of revenues over expenses	10,144,583	7,393,863	2,750,720	37.2%	3,698,179	31,937,654	17,478,971	14,458,683	82.7%	(8,422,309)
Unrealized gain (loss) on investments	10,691	-	10,691	0.0%	(115,637)	108,694	-	108,694	0.0%	(338,002)
Change in unrestricted net assets	$ 10,155,275	$ 7,393,863	$ 2,761,412	37.3%	$ 3,582,542	$ 32,046,348	$ 17,478,971	$ 14,567,377	83.3%	$ (8,760,311)

MOSES H. CONE MEMORIAL HOSPITAL
STATEMENT OF OPERATIONS
FOR THE PERIOD ENDED JUNE 30, 2014

	Quarter Ended					Fiscal Year To Date				
	Jun Actual	Jun Budget	Var	% Var	Jun Prior Yr Actual	Jun-YTD Actual	Jun-YTD Budget	Var	% Var	Jun-YTD Prior Yr Actual
Gross patient revenue										
Inpatient gross revenue	$ 167,023,056	$ 170,351,152	$ (3,328,096)	-2.0%	$ 160,819,463	$ 502,836,580	$ 527,758,582	$ (24,922,001)	-4.7%	$ 497,121,114
Outpatient gross revenue	129,807,719	110,690,940	19,116,779	17.3%	102,672,196	379,780,151	329,339,828	50,440,323	15.3%	296,250,363
Professional fee gross revenue	4,454,673	4,536,279	(81,606)	-1.8%	5,165,772	13,341,629	13,430,040	(88,411)	-0.7%	13,323,316
Long term care gross revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Total gross patient revenue	301,285,448	285,578,372	15,707,077	5.5%	268,657,431	895,958,360	870,528,450	25,429,910	2.9%	806,694,793
Deductions from revenue										
Contractual adjustments	(164,180,196)	(151,494,858)	(12,685,338)	-8.4%	(142,113,086)	(480,012,799)	(463,327,015)	(16,685,784)	-3.6%	(422,636,816)
Charity care	(16,675,753)	(18,664,842)	1,989,088	10.7%	(15,080,271)	(54,489,644)	(56,629,608)	2,139,964	3.8%	(47,498,879)
Bad debt expense	(9,357,747)	(8,229,380)	(1,128,367)	-13.7%	(7,734,943)	(29,651,345)	(25,048,954)	(4,602,391)	-18.4%	(23,987,618)
Other / DSH	6,886,661	6,412,325	474,336	-7.4%	7,564,683	19,711,310	19,236,974	474,336	-2.5%	19,909,504
Total deductions from revenue	(183,327,036)	(171,976,756)	(11,350,280)	-6.6%	(157,363,616)	(544,442,478)	(525,768,603)	(18,673,875)	-3.6%	(474,213,809)
Net patient revenue	117,958,413	113,601,616	4,356,797	3.8%	111,293,814	351,515,882	344,759,846	6,756,035	2.0%	332,480,984
Other operating revenue	1,929,286	1,671,359	257,927	15.4%	1,295,002	4,720,080	4,447,042	273,038	6.1%	3,725,175
Total operating revenues	119,887,699	115,272,975	4,614,724	4.0%	112,588,816	356,235,962	349,206,888	7,029,073	2.0%	336,206,159
Operating expenses										
Salaries and wages	31,452,539	31,832,594	380,055	1.2%	33,422,739	95,405,466	97,170,752	1,765,286	1.8%	102,816,322
Benefits	12,812,490	12,403,752	(408,738)	-3.3%	13,070,142	37,672,229	37,312,779	(359,450)	-1.0%	39,986,458
Purchased personnel	23,126	-	(23,126)	0.0%	314,484	37,391	2,500	(34,891)	-1395.6%	2,112,636
Professional services	2,129,149	2,123,262	(5,887)	-0.3%	2,290,689	6,635,432	6,608,095	(27,337)	-0.4%	6,882,694
Supplies	21,405,856	20,526,790	(879,066)	-4.3%	20,349,042	62,509,307	61,518,837	(990,470)	-1.6%	60,928,831
Pharmaceuticals	4,231,460	3,974,165	(257,295)	-6.5%	3,657,815	12,572,429	12,523,175	(49,254)	-0.4%	12,387,058
Other operating	36,257,850	36,541,049	283,199	0.8%	34,464,302	110,394,367	110,865,800	471,433	0.4%	108,520,178
Leases	3,376,738	3,567,714	190,976	5.4%	2,392,445	10,303,961	10,783,674	479,713	4.4%	7,070,736
Depreciation	2,631,634	2,935,536	303,902	10.4%	2,249,184	7,874,635	8,603,571	728,936	8.5%	6,677,645
Total operating expense	114,320,843	113,904,863	(415,980)	-0.4%	112,210,842	343,405,216	345,389,183	1,983,967	0.6%	347,382,558
Income from operations	5,566,855	1,368,112	4,198,743	306.9%	377,975	12,830,746	3,817,705	9,013,041	236.1%	(11,176,399)
Other income (expense)										
Investment income	-	-	-	0.0%	-	-	-	-	0.0%	-
Joint venture income	568,019	518,155	49,864	9.6%	449,121	2,386,303	1,453,309	932,994	64.2%	1,872,108
Interest expense	-	-	-	0.0%	-	-	-	-	0.0%	-
Other non-operating revenue	(237,841)	-	(237,841)	0.0%	-	(285,784)	-	(285,784)	0.0%	-
Other non-operating expense	-	-	-	0.0%	-	-	-	-	0.0%	-
Minority Interest Expense	-	-	-	0.0%	-	-	-	-	0.0%	-
Total other income (expense)	330,179	518,155	(187,976)	-36.3%	449,121	2,100,519	1,453,309	647,210	44.5%	1,872,108
Excess of revenues over expenses	5,897,034	1,886,267	4,010,767	212.6%	827,096	14,931,265	5,271,014	9,660,250	183.3%	(9,304,291)
Unrealized gain (loss) on investments	-	-	-	0.0%	-	-	-	-	0.0%	-
Change in unrestricted net assets	$ 5,897,034	$ 1,886,267	$ 4,010,767	212.6%	$ 827,096	$ 14,931,265	$ 5,271,014	$ 9,660,250	183.3%	$ (9,304,291)

WESLEY LONG HOSPITAL
STATEMENT OF OPERATIONS
FOR THE PERIOD ENDED JUNE 30, 2014

	Quarter Ended					Fiscal Year To Date				
	Jun Actual	Jun Budget	Var	% Var	Jun Prior Yr Actual	Jun-YTD Actual	Jun-YTD Budget	Var	% Var	Jun-YTD Prior Yr Actual
Gross patient revenue										
Inpatient gross revenue	$ 47,343,594	$ 53,711,382	$ (6,367,789)	-11.9%	$ 50,328,840	$ 148,838,699	$ 170,314,507	$ (21,475,808)	-12.6%	$ 160,695,729
Outpatient gross revenue	60,272,077	55,563,386	4,708,691	8.5%	50,115,499	179,459,133	162,605,182	16,853,951	10.4%	144,569,305
Professional fee gross revenue	284,629	513,954	(229,325)	-44.6%	246,305	736,344	1,357,633	(621,289)	-45.8%	767,799
Long term care gross revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Total gross patient revenue	107,900,300	109,788,722	(1,888,422)	-1.7%	100,690,644	329,034,176	334,277,323	(5,243,147)	-1.6%	306,032,833
Deductions from revenue										
Contractual adjustments	(54,322,324)	(54,765,786)	443,462	0.8%	(50,080,008)	(164,267,620)	(168,100,960)	3,833,339	2.3%	(150,474,841)
Charity care	(8,645,319)	(9,080,644)	435,325	4.8%	(7,782,220)	(27,324,666)	(27,359,781)	35,115	0.1%	(24,402,101)
Bad debt expense	(5,225,057)	(4,881,968)	(343,089)	-7.0%	(4,309,143)	(15,813,370)	(14,630,607)	(1,182,763)	-8.1%	(13,827,197)
Other / DSH	1,523,354	1,418,212	105,142	-7.4%	1,670,590	4,359,778	4,254,636	105,142	-2.5%	4,396,827
Total deductions from revenue	(66,669,346)	(67,310,187)	640,840	1.0%	(60,500,781)	(203,045,879)	(205,836,712)	2,790,834	1.4%	(184,307,312)
Net patient revenue	41,230,954	42,478,536	(1,247,582)	-2.9%	40,189,863	125,988,297	128,440,610	(2,452,313)	-1.9%	121,725,520
Other operating revenue	1,100,972	725,751	375,220	51.7%	738,548	2,858,072	2,018,855	839,217	41.6%	1,857,415
Total operating revenues	42,331,925	43,204,287	(872,362)	-2.0%	40,928,411	128,846,369	130,459,465	(1,613,096)	-1.2%	123,582,935
Operating expenses										
Salaries and wages	10,832,466	12,125,558	1,293,092	10.7%	12,400,369	33,683,551	37,074,117	3,390,566	9.1%	38,736,929
Benefits	4,935,549	5,149,325	213,776	4.2%	4,796,266	14,551,822	15,452,295	900,473	5.8%	14,765,673
Purchased personnel	169	2,262	2,093	92.5%	162,640	19,064	6,786	(12,278)	-180.9%	984,357
Professional services	803,782	740,661	(63,121)	-8.5%	888,908	2,465,104	2,390,246	(74,858)	-3.1%	2,627,569
Supplies	6,452,137	6,552,041	99,904	1.5%	5,814,204	19,495,264	19,924,782	429,519	2.2%	19,545,216
Pharmaceuticals	2,460,515	1,897,797	(562,718)	-29.7%	2,096,337	6,902,676	5,883,556	(1,019,120)	-17.3%	6,162,361
Other operating	13,390,075	13,780,753	390,678	2.8%	12,144,010	40,944,522	41,580,877	636,356	1.5%	38,666,120
Leases	1,267,177	1,311,852	44,674	3.4%	1,254,662	3,806,879	3,906,049	99,171	2.5%	3,688,472
Depreciation	762,342	822,241	59,900	7.3%	790,011	2,298,936	2,424,002	125,066	5.2%	2,446,752
Total operating expense	40,904,212	42,382,489	1,478,278	3.5%	40,347,407	124,167,816	128,642,711	4,474,894	3.5%	127,623,447
Income from operations	1,427,714	821,798	605,916	73.7%	581,003	4,678,553	1,816,754	2,861,798	157.5%	(4,040,513)
Other income (expense)										
Investment income	-	-	-	0.0%	-	-	-	-	0.0%	-
Joint venture income	98,200	15,625	82,575	528.5%	20,186	750,174	46,875	703,299	1500.4%	250,435
Interest expense	-	-	-	0.0%	-	-	-	-	0.0%	-
Other non-operating revenue	-	-	-	0.0%	-	(427)	-	(427)	0.0%	-
Other non-operating expense	-	-	-	0.0%	-	-	-	-	0.0%	-
Minority Interest Expense	-	-	-	0.0%	-	-	-	-	0.0%	-
Total other income (expense)	98,200	15,625	82,575	528.5%	20,186	749,747	46,875	702,872	1499.5%	250,435
Excess of revenues over expenses	1,525,913	837,423	688,490	82.2%	601,189	5,428,300	1,863,629	3,564,670	191.3%	(3,790,078)
Unrealized gain (loss) on investments	-	-	-	0.0%	-	-	-	-	0.0%	-
Change in unrestricted net assets	$ 1,525,913	$ 837,423	$ 688,490	82.2%	$ 601,189	$ 5,428,300	$ 1,863,629	$ 3,564,670	191.3%	$ (3,790,078)

WOMENS HOSPITAL
STATEMENT OF OPERATIONS
FOR THE PERIOD ENDED JUNE 30, 2014

	Quarter Ended					Fiscal Year To Date				
	Jun Actual	Jun Budget	Var	% Var	Jun Prior Yr Actual	Jun-YTD Actual	Jun-YTD Budget	Var	% Var	Jun-YTD Prior Yr Actual
Gross patient revenue										
Inpatient gross revenue	$ 30,694,048	$ 30,554,884	$ 139,164	0.5%	$ 30,650,667	$ 91,747,224	$ 93,707,225	$ (1,960,001)	-2.1%	$ 90,305,869
Outpatient gross revenue	14,993,347	14,962,562	30,785	0.2%	13,968,135	45,170,654	44,645,859	524,795	1.2%	41,818,608
Professional fee gross revenue	3,607,896	2,764,586	843,310	30.5%	2,934,260	9,943,856	8,179,039	1,764,817	21.6%	7,921,853
Long term care gross revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Total gross patient revenue	49,295,290	48,282,032	1,013,258	2.1%	47,553,061	146,861,733	146,532,123	329,610	0.2%	140,046,330
Deductions from revenue										
Contractual adjustments	(26,774,166)	(24,309,679)	(2,464,487)	-10.1%	(22,831,443)	(76,830,303)	(74,323,428)	(2,506,875)	-3.4%	(68,712,561)
Charity care	(2,408,603)	(3,173,265)	764,663	24.1%	(3,114,009)	(8,387,109)	(9,574,456)	1,187,346	12.4%	(9,568,940)
Bad debt expense	(1,793,755)	(1,305,777)	(487,978)	-37.4%	(1,556,827)	(5,672,272)	(4,098,485)	(1,573,787)	-38.4%	(4,972,129)
Other / DSH	4,520,026	4,207,372	312,654	-7.4%	5,098,498	12,934,769	12,622,115	312,654	-2.5%	13,418,747
Total deductions from revenue	(26,456,498)	(24,581,349)	(1,875,149)	-7.6%	(22,403,781)	(77,954,916)	(75,374,254)	(2,580,662)	-3.4%	(69,834,883)
Net patient revenue	22,838,792	23,700,683	(861,891)	-3.6%	25,149,280	68,906,817	71,157,869	(2,251,051)	-3.2%	70,211,447
Other operating revenue	199,157	188,133	11,024	5.9%	139,449	481,266	469,708	11,559	2.5%	462,930
Total operating revenues	23,037,949	23,888,816	(850,867)	-3.6%	25,288,729	69,388,083	71,627,576	(2,239,493)	-3.1%	70,674,377
Operating expenses										
Salaries and wages	8,790,411	9,029,044	238,633	2.6%	9,023,408	26,329,237	27,159,605	830,369	3.1%	27,658,263
Benefits	3,682,095	3,560,891	(121,204)	-3.4%	3,615,449	10,739,910	10,636,408	(103,502)	-1.0%	11,123,013
Purchased personnel	-	-	-	0.0%	-	-	-	-	0.0%	38
Professional services	469,011	501,524	32,514	6.5%	589,763	1,527,764	1,589,320	61,556	3.9%	1,826,571
Supplies	1,816,788	1,998,999	182,212	9.1%	1,622,776	5,327,193	5,924,582	597,389	10.1%	5,348,307
Pharmaceuticals	366,129	332,494	(33,635)	-10.1%	280,981	1,094,437	981,611	(112,826)	-11.5%	1,041,292
Other operating	6,462,707	6,447,332	(15,375)	-0.2%	6,355,785	19,530,364	19,590,996	60,632	0.3%	19,525,024
Leases	391,471	399,703	8,232	2.1%	375,357	1,165,154	1,187,470	22,316	1.9%	1,123,843
Depreciation	438,329	466,546	28,217	6.0%	438,094	1,315,692	1,365,181	49,489	3.6%	1,226,367
Total operating expense	22,416,940	22,736,534	319,593	1.4%	22,301,613	67,029,750	68,435,172	1,405,422	2.1%	68,872,719
Income from operations	621,008	1,152,282	(531,274)	-46.1%	2,987,116	2,358,334	3,192,405	(834,071)	-26.1%	1,801,658
Other income (expense)										
Investment income	-	-	-	0.0%	-	-	-	-	0.0%	-
Joint venture income	-	-	-	0.0%	-	-	-	-	0.0%	-
Interest expense	-	-	-	0.0%	-	-	-	-	0.0%	-
Other non-operating revenue	-	563	(563)	-100.0%	-	-	1,688	(1,688)	-100.0%	2,250
Other non-operating expense	-	-	-	0.0%	-	-	-	-	0.0%	-
Minority Interest Expense	-	-	-	0.0%	-	-	-	-	0.0%	-
Total other income (expense)	-	563	(563)	-100.0%	-	-	1,688	(1,688)	-100.0%	2,250
Excess of revenues over expenses	621,008	1,152,845	(531,836)	-46.1%	2,987,116	2,358,334	3,194,092	(835,758)	-26.2%	1,803,908
Unrealized gain (loss) on investments	-	-	-	0.0%	-	-	-	-	0.0%	-
Change in unrestricted net assets	$ 621,008	$ 1,152,845	$ (531,836)	-46.1%	$ 2,987,116	$ 2,358,334	$ 3,194,092	$ (835,758)	-26.2%	$ 1,803,908

BEHAVIORAL HEALTH HOSPITAL
STATEMENT OF OPERATIONS
FOR THE PERIOD ENDED JUNE 30, 2014

	Quarter Ended					Fiscal Year To Date				
	Jun Actual	Jun Budget	Var	% Var	Jun Prior Yr Actual	Jun-YTD Actual	Jun-YTD Budget	Var	% Var	Jun-YTD Prior Yr Actual
Gross patient revenue										
Inpatient gross revenue	$ 6,207,565	$ 6,358,141	$ (150,575)	-2.4%	$ 6,230,930	$ 19,262,200	$ 19,746,156	$ (483,956)	-2.5%	$ 18,209,657
Outpatient gross revenue	463,677	1,147,276	(683,599)	-59.6%	1,039,471	2,176,457	3,304,804	(1,128,347)	-34.1%	3,065,648
Professional fee gross revenue	2,274,793	2,122,851	151,942	7.2%	1,886,395	6,461,571	6,618,050	(156,479)	-2.4%	5,754,313
Long term care gross revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Total gross patient revenue	8,946,035	9,628,268	(682,233)	-7.1%	9,156,796	27,900,227	29,669,010	(1,768,783)	-6.0%	27,029,618
Deductions from revenue										
Contractual adjustments	(4,508,339)	(4,434,406)	(73,933)	-1.7%	(4,767,618)	(14,074,059)	(13,669,567)	(404,492)	-3.0%	(12,036,834)
Charity care	(234,034)	(471,183)	237,149	50.3%	(379,470)	(839,411)	(1,403,645)	564,234	40.2%	(1,374,858)
Bad debt expense	(480,569)	(330,813)	(149,756)	-45.3%	(244,168)	(2,039,559)	(1,184,847)	(854,712)	-72.1%	(952,210)
Other / DSH	833,291	775,651	57,640	-7.4%	950,610	2,384,593	2,326,953	57,640	-2.5%	2,501,912
Total deductions from revenue	(4,389,651)	(4,460,751)	71,100	1.6%	(4,440,647)	(14,568,436)	(13,931,105)	(637,330)	-4.6%	(11,861,990)
Net patient revenue	4,556,384	5,167,517	(611,133)	-11.8%	4,716,150	13,331,791	15,737,905	(2,406,113)	-15.3%	15,167,628
Other operating revenue	12,783	11,562	1,221	10.6%	5,499	27,290	29,392	(2,102)	-7.2%	51,845
Total operating revenues	4,569,167	5,179,079	(609,912)	-11.8%	4,721,649	13,359,081	15,767,297	(2,408,215)	-15.3%	15,219,472
Operating expenses										
Salaries and wages	2,782,769	2,900,365	117,596	4.1%	2,932,448	8,138,771	8,632,676	493,905	5.7%	8,589,981
Benefits	984,969	1,019,249	34,279	3.4%	958,958	2,794,981	3,016,445	221,464	7.3%	2,875,851
Purchased personnel	-	4,000	4,000	100.0%	5,249	410	12,000	11,590	96.6%	23,739
Professional services	98,165	117,679	19,515	16.6%	264,697	401,309	452,357	51,048	11.3%	607,256
Supplies	158,748	158,840	91	0.1%	74,342	396,255	393,894	(2,362)	-0.6%	254,404
Pharmaceuticals	140,987	87,300	(53,687)	-61.5%	80,983	303,395	262,350	(41,045)	-15.6%	253,532
Other operating	1,510,285	1,503,402	(6,883)	-0.5%	1,361,803	4,805,125	4,564,037	(241,087)	-5.3%	4,375,408
Leases	137,770	140,361	2,590	1.8%	136,723	415,061	416,254	1,193	0.3%	420,649
Depreciation	13,899	20,699	6,799	32.8%	10,560	40,905	52,194	11,289	21.6%	32,802
Total operating expense	5,827,593	5,951,895	124,301	2.1%	5,825,763	17,296,211	17,802,206	505,995	2.8%	17,433,621
Income from operations	(1,258,426)	(772,816)	(485,610)	62.8%	(1,104,115)	(3,937,130)	(2,034,910)	(1,902,220)	93.5%	(2,214,148)
Other income (expense)										
Investment income	-	-	-	0.0%	-	-	-	-	0.0%	-
Joint venture income	-	-	-	0.0%	-	-	-	-	0.0%	-
Interest expense	-	-	-	0.0%	-	-	-	-	0.0%	-
Other non-operating revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Other non-operating expense	-	-	-	0.0%	-	-	-	-	0.0%	-
Minority Interest Expense	-	-	-	0.0%	-	-	-	-	0.0%	-
Total other income (expense)	-	-	-	0.0%	-	-	-	-	0.0%	-
Excess of revenues over expenses	(1,258,426)	(772,816)	(485,610)	62.8%	(1,104,115)	(3,937,130)	(2,034,910)	(1,902,220)	93.5%	(2,214,148)
Unrealized gain (loss) on investments	-	-	-	0.0%	-	-	-	-	0.0%	-
Change in unrestricted net assets	$ (1,258,426)	$ (772,816)	$ (485,610)	62.8%	$ (1,104,115)	$ (3,937,130)	$ (2,034,910)	$ (1,902,220)	93.5%	$ (2,214,148)

ANNIE PENN HOSPITAL
STATEMENT OF OPERATIONS
FOR THE PERIOD ENDED JUNE 30, 2014

	Quarter Ended					Fiscal Year To Date				
	Jun Actual	Jun Budget	Var	% Var	Jun Prior Yr Actual	Jun-YTD Actual	Jun-YTD Budget	Var	% Var	Jun-YTD Prior Yr Actual
Gross patient revenue										
Inpatient gross revenue	$ 14,017,496	$ 14,681,762	$ (664,266)	-4.5%	$ 13,537,493	$ 41,562,709	$ 45,870,061	$ (4,307,353)	-9.4%	$ 42,730,631
Outpatient gross revenue	31,264,636	28,768,255	2,496,381	8.7%	26,046,954	92,542,374	83,101,819	9,440,555	11.4%	75,315,604
Professional fee gross revenue	3,160,787	2,956,098	204,690	6.9%	3,037,877	9,858,661	8,867,950	990,711	11.2%	8,761,114
Long term care gross revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Total gross patient revenue	48,442,920	46,406,115	2,036,805	4.4%	42,622,325	143,963,744	137,839,830	6,123,914	4.4%	126,807,348
Deductions from revenue										
Contractual adjustments	(28,063,315)	(25,878,353)	(2,184,962)	-8.4%	(24,419,228)	(83,237,854)	(76,993,576)	(6,244,278)	-8.1%	(70,523,986)
Charity care	(3,757,003)	(4,369,467)	612,464	14.0%	(3,447,110)	(12,430,859)	(12,915,644)	484,785	3.8%	(10,927,040)
Bad debt expense	(1,976,449)	(1,967,823)	(8,625)	-0.4%	(1,629,694)	(6,456,517)	(5,707,664)	(748,853)	-13.1%	(5,115,564)
Other / DSH	726,150	675,922	50,228	-7.4%	740,770	2,077,995	2,027,767	50,228	-2.5%	1,949,633
Total deductions from revenue	(33,070,616)	(31,539,721)	(1,530,895)	-4.9%	(28,755,263)	(100,047,234)	(93,589,117)	(6,458,118)	-6.9%	(84,616,957)
Net patient revenue	15,372,304	14,866,394	505,910	3.4%	13,867,062	43,916,509	44,250,713	(334,204)	-0.8%	42,190,391
Other operating revenue	253,134	221,261	31,874	14.4%	189,120	679,254	613,993	65,261	10.6%	615,445
Total operating revenues	15,625,438	15,087,655	537,784	3.6%	14,056,182	44,595,763	44,864,706	(268,943)	-0.6%	42,805,836
Operating expenses										
Salaries and wages	4,462,007	4,461,815	(192)	0.0%	4,498,121	13,347,475	13,558,370	210,896	1.6%	14,003,968
Benefits	1,766,248	1,659,382	(106,867)	-6.4%	1,714,695	5,148,505	4,983,644	(164,861)	-3.3%	5,223,972
Purchased personnel	(2,889)	-	2,889	0.0%	30,793	(2,889)	-	2,889	0.0%	172,020
Professional services	681,673	660,884	(20,789)	-3.1%	688,758	2,108,527	2,071,953	(36,574)	-1.8%	2,116,431
Supplies	1,207,591	1,239,381	31,790	2.6%	1,114,878	3,675,327	3,705,603	30,275	0.8%	3,613,339
Pharmaceuticals	1,108,265	990,352	(117,913)	-11.9%	1,020,007	3,310,607	2,984,783	(325,824)	-10.9%	2,960,042
Other operating	3,889,050	3,951,282	62,232	1.6%	3,674,761	11,746,066	11,983,014	236,948	2.0%	11,441,461
Leases	510,079	535,703	25,624	4.8%	472,723	1,490,960	1,599,384	108,424	6.8%	1,406,322
Depreciation	208,056	239,773	31,717	13.2%	187,413	594,742	684,683	89,942	13.1%	618,070
Total operating expense	13,830,082	13,738,573	(91,509)	-0.7%	13,402,148	41,419,319	41,571,432	152,113	0.4%	41,555,626
Income from operations	1,795,357	1,349,082	446,275	33.1%	654,034	3,176,445	3,293,274	(116,830)	-3.5%	1,250,211
Other income (expense)										
Investment income	-	1,394	(1,394)	-100.0%	-	-	4,183	(4,183)	-100.0%	-
Joint venture income	-	-	-	0.0%	-	-	-	-	0.0%	-
Interest expense	-	-	-	0.0%	-	-	-	-	0.0%	-
Other non-operating revenue	9,850	-	9,850	0.0%	-	9,850	-	9,850	0.0%	-
Other non-operating expense	(25,751)	(42,222)	16,470	-39.0%	(36,410)	(89,422)	(101,662)	12,240	-12.0%	(99,827)
Minority Interest Expense	-	-	-	0.0%	-	-	-	-	0.0%	-
Total other income (expense)	(15,901)	(40,828)	24,926	-61.1%	(36,410)	(79,572)	(97,479)	17,907	-18.4%	(99,827)
Excess of revenues over expenses	1,779,455	1,308,254	471,201	36.0%	617,624	3,096,872	3,195,795	(98,923)	-3.1%	1,150,383
Unrealized gain (loss) on investments	-	-	-	0.0%	-	-	-	-	0.0%	-
Change in unrestricted net assets	$ 1,779,455	$ 1,308,254	$ 471,201	36.0%	$ 617,624	$ 3,096,872	$ 3,195,795	$ (98,923)	-3.1%	$ 1,150,383

HEALTH SERVICES DIVISION
STATEMENT OF OPERATIONS
FOR THE PERIOD ENDED JUNE 30, 2014

	Quarter Ended					Fiscal Year To Date				
	Jun Actual	Jun Budget	Var	% Var	Jun Prior Yr Actual	Jun-YTD Actual	Jun-YTD Budget	Var	% Var	Jun-YTD Prior Yr Actual
Gross patient revenue										
Inpatient gross revenue	$ 1,137,731	$ 1,309,042	$ (171,312)	-13.1%	$ 943,181	$ 3,005,562	$ 4,131,144	$ (1,125,583)	-27.2%	$ 3,401,144
Outpatient gross revenue	19,841,627	17,112,373	2,729,255	15.9%	13,861,249	55,460,104	49,995,648	5,464,455	10.9%	42,058,553
Professional fee gross revenue	5,273,310	3,764,555	1,508,755	40.1%	3,360,146	13,084,823	11,243,180	1,841,644	16.4%	10,397,542
Long term care gross revenue	2,762,444	3,727,744	(965,300)	-25.9%	2,630,792	8,079,699	10,248,174	(2,168,476)	-21.2%	7,779,539
Total gross patient revenue	29,015,112	25,913,714	3,101,398	12.0%	20,795,367	79,630,187	75,618,147	4,012,041	5.3%	63,636,778
Deductions from revenue										
Contractual adjustments	(14,077,650)	(12,433,888)	(1,643,762)	-13.2%	(10,248,190)	(37,943,845)	(36,883,013)	(1,060,832)	-2.9%	(31,107,305)
Charity care	(2,875,125)	(2,751,461)	(123,664)	-4.5%	(2,196,034)	(9,458,028)	(8,067,676)	(1,390,352)	-17.2%	(7,458,797)
Bad debt expense	(1,171,281)	(872,563)	(298,719)	-34.2%	(645,066)	(2,934,742)	(2,525,693)	(409,049)	-16.2%	(1,811,408)
Other / DSH	108,802	108,802	-	0.0%	96,304	326,405	326,405	-	0.0%	253,462
Total deductions from revenue	(18,015,254)	(15,949,109)	(2,066,145)	-13.0%	(12,992,986)	(50,010,210)	(47,149,978)	(2,860,233)	-6.1%	(40,124,049)
Net patient revenue	10,999,858	9,964,605	1,035,253	10.4%	7,802,381	29,619,977	28,468,169	1,151,808	4.0%	23,512,730
Other operating revenue	1,704,662	1,378,925	325,737	23.6%	1,393,868	4,683,297	4,137,013	546,284	13.2%	4,260,481
Total operating revenues	12,704,520	11,343,530	1,360,990	12.0%	9,196,249	34,303,274	32,605,182	1,698,092	5.2%	27,773,211
Operating expenses										
Salaries and wages	4,585,511	4,198,417	(387,094)	-9.2%	3,753,948	12,840,725	12,506,111	(334,614)	-2.7%	11,051,471
Benefits	1,779,902	1,583,070	(196,832)	-12.4%	1,427,449	4,858,801	4,698,400	(160,401)	-3.4%	4,200,172
Purchased personnel	53,035	40,762	(12,274)	-30.1%	14,587	124,767	143,351	18,584	13.0%	46,884
Professional services	498,315	496,106	(2,209)	-0.4%	576,591	1,597,422	1,630,068	32,646	2.0%	1,644,003
Supplies	751,556	600,930	(150,626)	-25.1%	515,118	1,814,592	1,684,632	(129,960)	-7.7%	1,461,943
Pharmaceuticals	597,362	366,191	(231,171)	-63.1%	266,811	1,605,159	1,134,292	(470,867)	-41.5%	779,498
Other operating	1,633,193	1,260,609	(372,584)	-29.6%	878,157	3,776,945	3,670,910	(106,035)	-2.9%	2,978,983
Leases	1,258,081	1,286,289	28,209	2.2%	1,214,220	3,800,147	3,849,439	49,291	1.3%	3,630,012
Depreciation	263,657	300,645	36,988	12.3%	257,149	835,094	936,730	101,636	10.9%	689,632
Total operating expense	11,420,613	10,133,019	(1,287,594)	-12.7%	8,904,029	31,253,652	30,253,933	(999,719)	-3.3%	26,482,598
Income from operations	1,283,907	1,210,511	73,396	6.1%	292,220	3,049,622	2,351,249	698,373	29.7%	1,290,613
Other income (expense)										
Investment income	0	306	(306)	-99.9%	200	30	918	(888)	-96.7%	767
Joint venture income	1,227,667	788,639	439,028	55.7%	1,528,403	4,362,108	2,413,047	1,949,061	80.8%	3,959,058
Interest expense	-	-	-	0.0%	-	-	-	-	0.0%	-
Other non-operating revenue	(75)	-	(75)	0.0%	-	(3,605)	-	(3,605)	0.0%	-
Other non-operating expense	49,603	50,060	(457)	-0.9%	36,913	150,029	144,487	5,543	3.8%	(467,398)
Minority Interest Expense	208,162	(20,237)	228,399	-1128.6%	208,875	592,642	275,716	316,926	114.9%	436,116
Total other income (expense)	1,485,357	818,768	666,590	81.4%	1,774,391	5,101,204	2,834,168	2,267,036	80.0%	3,928,543
Excess of revenues over expenses	2,769,264	2,029,279	739,986	36.5%	2,066,611	8,150,826	5,185,417	2,965,409	57.2%	5,219,157
Unrealized gain (loss) on investments	-	-	-	0.0%	-	-	-	-	0.0%	-
Change in unrestricted net assets	$ 2,769,264	$ 2,029,279	$ 739,986	36.5%	$ 2,066,611	$ 8,150,826	$ 5,185,417	$ 2,965,409	57.2%	$ 5,219,157

CANCER CENTER
STATEMENT OF OPERATIONS
FOR THE PERIOD ENDED JUNE 30, 2014

	Quarter Ended					Fiscal Year To Date				
	Jun Actual	Jun Budget	Var	% Var	Jun Prior Yr Actual	Jun-YTD Actual	Jun-YTD Budget	Var	% Var	Jun-YTD Prior Yr Actual
Gross patient revenue										
Inpatient gross revenue	$ 395,682	$ 382,067	$ 13,615	3.6%	$ 343,889	$ 1,015,370	$ 1,146,246	$ (130,876)	-11.4%	$ 1,103,341
Outpatient gross revenue	13,775,843	10,828,749	2,947,094	27.2%	10,404,463	40,524,282	32,488,874	8,035,408	24.7%	31,956,945
Professional fee gross revenue	35,699,134	34,629,328	1,069,806	3.1%	32,106,079	101,781,315	103,672,680	(1,891,365)	-1.8%	92,947,761
Long term care gross revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Total gross patient revenue	49,870,659	45,840,143	4,030,516	8.8%	42,854,431	143,320,968	137,307,800	6,013,168	4.4%	126,008,046
Deductions from revenue										
Contractual adjustments	(26,456,972)	(24,592,629)	(1,864,342)	-7.6%	(22,771,338)	(77,397,900)	(73,773,557)	(3,624,343)	-4.9%	(66,872,229)
Charity care	(851,776)	(1,256,411)	404,635	32.2%	(1,170,122)	(2,446,325)	(3,764,400)	1,318,075	35.0%	(3,665,524)
Bad debt expense	(2,594,323)	(935,633)	(1,658,689)	-177.3%	(2,066,643)	(6,907,222)	(3,312,735)	(3,594,486)	-108.5%	(3,538,868)
Other / DSH	201,717	201,717	-	0.0%	178,545	605,151	605,151	-	0.0%	469,914
Total deductions from revenue	(29,701,353)	(26,582,956)	(3,118,397)	-11.7%	(25,829,557)	(86,146,296)	(80,245,541)	(5,900,755)	-7.4%	(73,606,707)
Net patient revenue	20,169,306	19,257,187	912,119	4.7%	17,024,874	57,174,672	57,062,259	112,413	0.2%	52,401,340
Other operating revenue	183,553	181,017	2,536	1.4%	279,706	543,953	549,381	(5,428)	-1.0%	1,009,879
Total operating revenues	20,352,859	19,438,204	914,655	4.7%	17,304,580	57,718,625	57,611,640	106,985	0.2%	53,411,219
Operating expenses										
Salaries and wages	2,799,544	2,907,127	107,583	3.7%	2,779,026	8,538,842	8,768,493	229,651	2.6%	8,644,498
Benefits	1,272,443	1,274,039	1,596	0.1%	1,156,638	3,649,097	3,784,031	134,934	3.6%	3,537,418
Purchased personnel	64,400	-	(64,400)	0.0%	-	206,781	-	(206,781)	0.0%	(1,330)
Professional services	2,047,418	2,278,079	230,661	10.1%	2,477,629	6,671,013	7,023,081	352,068	5.0%	7,166,034
Supplies	454,759	216,030	(238,729)	-110.5%	303,076	1,264,856	814,875	(449,980)	-55.2%	970,887
Pharmaceuticals	7,689,957	6,787,710	(902,246)	-13.3%	6,614,704	21,038,970	20,362,896	(676,075)	-3.3%	18,531,262
Other operating	2,240,116	2,547,775	307,659	12.1%	2,129,442	6,535,732	7,596,158	1,060,426	14.0%	6,981,193
Leases	642,931	630,368	(12,562)	-2.0%	383,634	1,891,186	1,896,616	5,430	0.3%	1,315,411
Depreciation	373,402	573,265	199,863	34.9%	366,316	1,107,366	1,556,265	448,900	28.8%	1,091,578
Total operating expense	17,584,969	17,214,394	(370,575)	-2.2%	16,210,465	50,903,844	51,802,416	898,572	1.7%	48,236,950
Income from operations	2,767,890	2,223,810	544,080	24.5%	1,094,115	6,814,781	5,809,224	1,005,557	17.3%	5,174,268
Other income (expense)										
Investment income	-	-	-	0.0%	-	-	-	-	0.0%	-
Joint venture income	126,240	106,250	19,990	18.8%	149,126	(68,522)	318,750	(387,272)	-121.5%	190,108
Interest expense	-	-	-	0.0%	-	-	-	-	0.0%	-
Other non-operating revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Other non-operating expense	-	-	-	0.0%	-	-	-	-	0.0%	-
Minority Interest Expense	-	-	-	0.0%	-	-	-	-	0.0%	-
Total other income (expense)	126,240	106,250	19,990	18.8%	149,126	(68,522)	318,750	(387,272)	-121.5%	190,108
Excess of revenues over expenses	2,894,130	2,330,060	564,070	24.2%	1,243,241	6,746,259	6,127,974	618,285	10.1%	5,364,376
Unrealized gain (loss) on investments	-	-	-	0.0%	-	-	-	-	0.0%	-
Change in unrestricted net assets	$ 2,894,130	$ 2,330,060	$ 564,070	24.2%	$ 1,243,241	$ 6,746,259	$ 6,127,974	$ 618,285	10.1%	$ 5,364,376

SYSTEMWIDE DIVISION
STATEMENT OF OPERATIONS
FOR THE PERIOD ENDED JUNE 30, 2014

	Quarter Ended					Fiscal Year To Date				
	Jun Actual	Jun Budget	Var	% Var	Jun Prior Yr Actual	Jun-YTD Actual	Jun-YTD Budget	Var	% Var	Jun-YTD Prior Yr Actual
Gross patient revenue										
Inpatient gross revenue	$ 826	$ 2,216	$ (1,390)	-62.7%	$ -	$ 5,755	$ 6,874	$ (1,119)	-16.3%	$ 3,377
Outpatient gross revenue	79,572	81,310	(1,738)	-2.1%	83,261	249,939	243,930	6,009	2.5%	197,613
Professional fee gross revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Long term care gross revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Total gross patient revenue	80,398	83,526	(3,128)	-3.7%	83,261	255,694	250,804	4,890	1.9%	200,990
Deductions from revenue										
Contractual adjustments	-	(3,913)	3,913	100.0%	-	-	(11,966)	11,966	100.0%	-
Charity care	-	-	-	0.0%	-	-	-	-	0.0%	-
Bad debt expense	-	-	-	0.0%	(87,777)	-	-	-	0.0%	(109,495)
Other / DSH	-	-	-	0.0%	-	-	-	-	0.0%	-
Total deductions from revenue	-	(3,913)	3,913	100.0%	(87,777)	-	(11,966)	11,966	100.0%	(109,495)
Net patient revenue	80,398	79,613	785	1.0%	(4,516)	255,694	238,838	16,856	7.1%	91,495
Other operating revenue	3,008,270	3,270,215	(261,945)	-8.0%	2,516,230	9,877,646	8,284,334	1,593,312	19.2%	6,463,702
Total operating revenues	3,088,668	3,349,828	(261,160)	-7.8%	2,511,714	10,133,340	8,523,172	1,610,168	18.9%	6,555,197
Operating expenses										
Salaries and wages	15,139,156	15,816,774	677,619	4.3%	14,711,408	44,256,979	46,902,459	2,645,480	5.6%	46,685,028
Benefits	7,201,193	6,665,719	(535,474)	-8.0%	8,560,011	20,521,517	19,753,780	(767,737)	-3.9%	22,518,945
Purchased personnel	1,406,988	1,341,306	(65,682)	-4.9%	1,457,890	3,851,721	4,168,440	316,719	7.6%	3,721,653
Professional services	7,687,625	6,126,884	(1,560,740)	-25.5%	7,752,207	22,199,537	20,484,817	(1,714,720)	-8.4%	26,494,109
Supplies	211,952	213,325	1,373	0.6%	(343,682)	70,084	790,695	720,611	91.1%	(225,454)
Pharmaceuticals	3,431,758	2,692,740	(739,018)	-27.4%	2,118,870	9,766,372	7,578,220	(2,188,152)	-28.9%	6,053,705
Other operating	(35,366,248)	(35,665,229)	(298,981)	0.8%	(34,920,912)	(108,786,747)	(108,378,693)	408,054	-0.4%	(110,770,629)
Leases	92,662	92,580	(81)	-0.1%	109,953	276,793	277,741	948	0.3%	273,399
Depreciation	5,032,430	5,859,470	827,040	14.1%	5,382,866	14,855,026	16,941,898	2,086,872	12.3%	15,363,764
Total operating expense	4,837,514	3,143,570	(1,693,944)	-53.9%	4,828,611	7,011,281	8,519,356	1,508,075	17.7%	10,114,519
Income from operations	(1,748,846)	206,258	(1,955,104)	-947.9%	(2,316,897)	3,122,059	3,816	3,118,243	81713.7%	(3,559,323)
Other income (expense)										
Investment income	60,653	76,939	(16,286)	-21.2%	84,496	155,374	230,818	(75,444)	-32.7%	603,525
Joint venture income	-	-	-	0.0%	-	-	-	-	0.0%	-
Interest expense	-	-	-	0.0%	-	-	-	-	0.0%	-
Other non-operating revenue	9,096	20,400	(11,304)	-55.4%	19,876	36,652	59,200	(22,548)	-38.1%	56,225
Other non-operating expense	153,409	157,558	(4,150)	-2.6%	223,456	447,982	472,675	(24,693)	-5.2%	574,034
Minority Interest Expense	-	-	-	0.0%	-	-	-	-	0.0%	-
Total other income (expense)	223,158	254,898	(31,740)	-12.5%	327,828	640,008	762,693	(122,685)	-16.1%	1,233,785
Excess of revenues over expenses	(1,525,689)	461,156	(1,986,844)	-430.8%	(1,989,069)	3,762,068	766,509	2,995,559	390.8%	(2,325,538)
Unrealized gain (loss) on investments	10,691	-	10,691	0.0%	(115,637)	108,694	-	108,694	0.0%	(338,002)
Change in unrestricted net assets	$ (1,514,997)	$ 461,156	$ (1,976,153)	-428.5%	$ (2,104,706)	$ 3,870,762	$ 766,509	$ 3,104,253	405.0%	$ (2,663,540)

PHYSICIAN SERVICES
STATEMENT OF OPERATIONS
FOR THE PERIOD ENDED JUNE 30, 2014

	Quarter Ended					Fiscal Year To Date				
	Jun Actual	Jun Budget	Var	% Var	Jun Prior Yr Actual	Jun-YTD Actual	Jun-YTD Budget	Var	% Var	Jun-YTD Prior Yr Actual
Gross patient revenue										
Inpatient gross revenue	$ -	$ -	$ -	0.0%	$ -	$ -	$ -	$ -	0.0%	$ -
Outpatient gross revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Professional fee gross revenue	18,703,377	19,387,650	(684,273)	-3.5%	19,134,215	56,080,908	59,062,711	(2,981,803)	-5.0%	58,976,399
Long term care gross revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Total gross patient revenue	18,703,377	19,387,650	(684,273)	-3.5%	19,134,215	56,080,908	59,062,711	(2,981,803)	-5.0%	58,976,399
Deductions from revenue										
Contractual adjustments	(10,044,755)	(10,155,576)	110,821	1.1%	(10,010,718)	(30,593,327)	(30,927,646)	334,319	1.1%	(31,647,074)
Charity care	(202,396)	(563,152)	360,756	64.1%	(540,673)	(743,606)	(1,707,986)	964,380	56.5%	(1,790,189)
Bad debt expense	(736,624)	(399,659)	(336,966)	-84.3%	(743,139)	(2,214,562)	(1,571,058)	(643,504)	-41.0%	(2,303,093)
Other / DSH	-	-	-	0.0%	-	-	-	-	0.0%	-
Total deductions from revenue	(10,983,775)	(11,118,386)	134,612	1.2%	(11,294,530)	(33,551,495)	(34,206,690)	655,196	1.9%	(35,740,356)
Net patient revenue	7,719,602	8,269,264	(549,662)	-6.6%	7,839,685	22,529,414	24,856,021	(2,326,607)	-9.4%	23,236,043
Other operating revenue	579,227	593,443	(14,216)	-2.4%	249,553	1,128,373	1,074,850	53,523	5.0%	1,075,422
Total operating revenues	8,298,829	8,862,707	(563,877)	-6.4%	8,089,238	23,657,786	25,930,871	(2,273,084)	-8.8%	24,311,464
Operating expenses										
Salaries and wages	8,459,699	8,477,860	18,162	0.2%	7,788,374	24,852,204	25,313,394	461,189	1.8%	23,333,180
Benefits	1,797,584	1,697,698	(99,886)	-5.9%	1,378,688	5,280,082	5,002,606	(277,476)	-5.5%	4,328,781
Purchased personnel	51,337	110,851	59,514	53.7%	1,473	73,494	161,597	88,102	54.5%	108,380
Professional services	423,713	490,700	66,987	13.7%	26,539	986,142	1,268,719	282,576	22.3%	167,341
Supplies	139,559	220,768	81,210	36.8%	102,843	482,451	620,596	138,145	22.3%	353,544
Pharmaceuticals	62,489	75,966	13,477	17.7%	55,076	151,612	254,907	103,295	40.5%	208,537
Other operating	(143,395)	(461,769)	(318,374)	68.9%	229,656	263,576	(840,195)	(1,103,771)	131.4%	(57,364)
Leases	-	-	-	0.0%	-	-	-	-	0.0%	-
Depreciation	65,951	88,592	22,641	25.6%	58,103	167,363	237,864	70,501	29.6%	195,143
Total operating expense	10,856,937	10,700,667	(156,269)	-1.5%	9,640,752	32,256,926	32,019,488	(237,438)	-0.7%	28,637,541
Income from operations	(2,558,107)	(1,837,960)	(720,147)	39.2%	(1,551,514)	(8,599,139)	(6,088,617)	(2,510,522)	41.2%	(4,326,077)
Other income (expense)										
Investment income	-	(365)	365	-100.0%	-	-	(1,094)	1,094	-100.0%	-
Joint venture income	-	-	-	0.0%	-	-	-	-	0.0%	-
Interest expense	-	-	-	0.0%	-	-	-	-	0.0%	-
Other non-operating revenue	-	(280)	280	-100.0%	-	-	(839)	839	-100.0%	-
Other non-operating expense	-	-	-	0.0%	-	-	-	-	0.0%	-
Minority Interest Expense	-	-	-	0.0%	-	-	-	-	0.0%	-
Total other income (expense)	-	(644)	644	-100.0%	-	-	(1,933)	1,933	-100.0%	-
Excess of revenues over expenses	(2,558,107)	(1,838,605)	(719,502)	39.1%	(1,551,514)	(8,599,139)	(6,090,550)	(2,508,589)	41.2%	(4,326,077)
Unrealized gain (loss) on investments	-	-	-	0.0%	-	-	-	-	0.0%	-
Change in unrestricted net assets	$ (2,558,107)	$ (1,838,605)	$ (719,502)	39.1%	$ (1,551,514)	$ (8,599,139)	$ (6,090,550)	$ (2,508,589)	41.2%	$ (4,326,077)

ARMC HEALTH CARE
CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE QUARTER ENDED JUNE 30, 2014

	Alamance Regional Medical Center	Mebane Medical Investors LLC	Eliminations	Sub-Total	Alamance Extended Care	ARMC Physicians Care	ARMC Foundation	Eliminations	Total ARMC Health Care
Patient Revenue									
Inpatient	41,941,265	0		41,941,265	0	0	0		41,941,265
Outpatient	75,502,732	0		75,502,732	0	0	0		75,502,732
Professional Fees	2,387,707	0		2,387,707	0	4,504,808	0		6,892,515
Long Term Care Revenue	0	0		0	4,991,055	0	0		4,991,055
Total Patient Revenue	119,831,703	0		119,831,703	4,991,055	4,504,808	0		129,327,566
Deductions From Revenue									
Charity Services	5,321,731	0		5,321,731	6,184	0	0		5,327,915
Bad Debt	5,943,509	0		5,943,509	54,202	0	0		5,997,710
Contractual Allowances	54,000,855	0		54,000,855	1,119,467	2,313,648	0		57,433,970
GAP/MRI	(957,249)	0		(957,249)	0	0	0		(957,249)
Discounts	387,722	0		387,722	711	0	0		388,432
Total Deductions	64,696,568	0		64,696,568	1,180,563	2,313,648	0		68,190,779
Net Patient Revenue	55,135,136	0		55,135,136	3,810,492	2,191,160	0		61,136,787
Other Operating Revenue	2,594,236	545,518	(432,348)	2,707,407	689,217	70,942	59,696	(191,845)	3,335,416
Total Operating Revenue	57,729,372	545,518	(432,348)	57,842,542	4,499,709	2,262,102	59,696	(191,845)	64,472,204
Operating Expenses									
Salaries & Wages	21,002,661	0		21,002,661	1,654,448	2,215,142	30,100		24,902,350
Benefits	5,376,526	0		5,376,526	426,484	455,075	4,766		6,262,851
Contract Labor	763,022	0		763,022	21,073	239,377	0		1,023,472
Professional Fees	1,680,312	0		1,680,312	26,332	114,735	0		1,821,378
Purchased Services	5,508,390	0		5,508,390	651,781	292,630	1,199	(144,312)	6,309,688
Medical Supplies	5,415,479	0		5,415,479	47,706	57,079	0		5,520,263
Drugs & Pharmaceuticals	5,135,176	0		5,135,176	156,356	70,136	0		5,361,668
Other Supplies	620,693	0		620,693	45,913	40,796	242		707,643
Depreciation & Amortization	4,727,519	166,125		4,893,644	527,489	82,291	154		5,503,579
Lease and Rental	703,369	0	(432,348)	271,021	15,541	221,179	0	(47,533)	460,209
Utilities	674,800	66,389		741,188	185,932	54,803	0		981,924
Insurance	310,754	2,297		313,051	18,988	131,897	0		463,937
Interest	18,578	87,741		106,319	0	0	0		106,319
Other Expenses	2,496,796	126,114		2,622,909	118,538	192,737	67,399		3,001,584
Total Operating Expenses	54,434,073	448,666	(432,348)	54,450,391	3,896,582	4,167,876	103,861	(191,845)	62,426,864
Excess of Revenue Over Expenses from Operations	3,295,299	96,853	0	3,392,152	603,127	(1,905,774)	(44,165)	0	2,045,340
Non-Operating									
Other NonOperating Revenue\Expense	188,943	0	(49,395)	139,548	0	0	1,593		141,141
Excess of Revenue Over Expenses	3,484,242	96,853	(49,395)	3,531,699	603,127	(1,905,774)	(42,572)	0	2,186,481
Other Non-Operating									
Investment Income/Gain	217,169	0		217,169	0	0	52,446		269,615
Change in net Unrealized Gain(Loss) on Investments	(31,166)	0		(31,166)	0	0	37,584		6,418
Total Other Non-Operating	186,003	0	0	186,003	0	0	90,030	0	276,033
Transfers (to)from Affiliates	(503,263)			(503,263)	381,060	102,913	19,290		(0)
Extraordinary Item	0	0		0	0	0	0		0
Minority Interest			(47,458)	(47,458)					(47,458)
Excess of Revenue Over Expenses	3,166,981	96,853	(96,853)	3,166,981	984,187	(1,802,861)	66,748	0	2,415,056

ARMC HEALTH CARE
CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE YEAR TO DATE PERIOD ENDED JUNE 30, 2014

	Alamance Regional Medical Center	Mebane Medical Investors LLC	Eliminations	Sub-Total	Alamance Extended Care	ARMC Physicians Care	ARMC Foundation	Eliminations	Total ARMC Health Care
Patient Revenue									
Inpatient	124,214,788	0		124,214,788	0	0	0		124,214,788
Outpatient	216,783,986	0		216,783,986	0	0	0		216,783,986
Professional Fees	6,774,080	0		6,774,080	0	12,689,107	0		19,463,187
Long Term Care Revenue	0	0		0	14,895,407	0	0		14,895,407
Total Patient Revenue	347,772,853	0		347,772,853	14,895,407	12,689,107	0		375,357,367
Deductions From Revenue									
Charity Services	15,918,807	0		15,918,807	30,358	0	0		15,949,165
Bad Debt	17,192,346	0		17,192,346	163,990	0	0		17,356,336
Contractual Allowances	160,518,537	0		160,518,537	3,628,440	6,269,183	0		170,416,160
GAP/MRI	(6,784,274)	0		(6,784,274)	0	0	0		(6,784,274)
Discounts	1,423,649	0		1,423,649	18,331	0	0		1,441,980
Total Deductions	188,269,065	0		188,269,065	3,841,119	6,269,183	0		198,379,367
Net Patient Revenue	159,503,788	0		159,503,788	11,054,288	6,419,925	0		176,978,000
Other Operating Revenue	7,074,000	1,620,557	(1,291,384)	7,403,173	2,330,696	213,378	236,791	(578,149)	9,605,888
Total Operating Revenue	166,577,788	1,620,557	(1,291,384)	166,906,961	13,384,984	6,633,302	236,791	(578,149)	186,583,888
Operating Expenses									
Salaries & Wages	62,604,989	0		62,604,989	4,914,988	6,285,209	80,906		73,886,092
Benefits	16,978,044	0		16,978,044	1,435,608	1,193,075	10,252		19,616,979
Contract Labor	3,003,002	0		3,003,002	96,009	522,074	0		3,621,085
Professional Fees	4,855,914	0		4,855,914	74,146	223,912	2,000		5,155,972
Purchased Services	16,012,611	0		16,012,611	1,790,857	860,513	5,193	(427,381)	18,241,794
Medical Supplies	15,540,512	0		15,540,512	137,131	140,694	0		15,818,338
Drugs & Pharmaceuticals	15,305,543	0		15,305,543	442,942	215,442	0		15,963,927
Other Supplies	1,772,686	0		1,772,686	156,061	87,496	946		2,017,190
Depreciation & Amortization	11,043,255	498,376		11,541,631	1,560,193	245,634	463		13,347,921
Lease and Rental	2,158,626	0	(1,291,384)	867,242	46,587	660,275	0	(150,768)	1,423,336
Utilities	2,004,436	209,536		2,213,972	561,723	141,740	0		2,917,435
Insurance	581,017	6,980		587,996	63,030	307,189	0		958,216
Interest	54,244	272,594		326,837	0	0	0		326,837
Other Expenses	7,815,142	341,657		8,156,799	353,434	513,253	251,382		9,274,868
Total Operating Expenses	159,730,021	1,329,142	(1,291,384)	159,767,779	11,632,710	11,396,508	351,142	(578,149)	182,569,990
Excess of Revenue Over Expenses from Operations	6,847,767	291,414	0	7,139,181	1,752,274	(4,763,206)	(114,352)	0	4,013,898
Non-Operating									
Other NonOperating Revenue\Expense	592,595	0	(148,621)	443,974	0	0	6,098		450,072
Excess of Revenue Over Expenses	7,440,362	291,414	(148,621)	7,583,155	1,752,274	(4,763,206)	(108,254)	0	4,463,970
Other Non-Operating									
Investment Income/Gain	9,102,279	0		9,102,279	3,030	0	103,542		9,208,851
Change in net Unrealized Gain(Loss) on Investments	(7,268,053)	0		(7,268,053)	(6,373)	0	161,686		(7,112,739)
Total Other Non-Operating	1,834,226	0	0	1,834,226	(3,343)	0	265,229	0	2,096,112
Transfers (to)from Affiliates	(7,194,828)			(7,194,828)	2,133,480	4,865,893	195,455		(0)
Extraordinary Item	(5,454,950)	0		(5,454,950)	3,539,211	0	0		(1,915,739)
Minority Interest			(142,793)	(142,793)					(142,793)
Excess of Revenue Over Expenses	(3,375,189)	291,414	(291,414)	(3,375,189)	7,421,622	102,687	352,430	0	4,501,550

ARMC HEALTH CARE CONSOLIDATED
STATEMENT OF OPERATIONS
FOR THE PERIOD ENDED JUNE 30, 2014

	Current Month - June					Year-To-Date - June				
	Jun-14 Actual	Jun-14 Budget	Variance	Var %	Jun-13 Actual	Jun-14 Actual	Jun-14 Budget	Variance	Var %	Jun-13 Actual
Patient Revenue										
Inpatient	14,435,317	15,045,402	(610,085)	-4.1%	14,346,153	124,214,788	133,853,672	(9,638,885)	-7.2%	130,663,980
Outpatient	24,887,477	23,472,587	1,414,890	6.0%	21,973,066	216,783,986	216,305,300	478,686	0.2%	206,162,780
Professional Fees	2,265,133	2,843,161	(578,028)	-20.3%	1,858,861	19,463,187	24,267,729	(4,804,542)	-19.8%	18,169,919
Long Term Care Revenue	1,650,748	1,703,151	(52,403)	-3.1%	1,655,149	14,895,407	15,470,012	(574,605)	-3.7%	15,140,375
Total Patient Revenue	43,238,674	43,064,301	174,373	0.4%	39,833,229	375,357,367	389,896,713	(14,539,346)	-3.7%	370,137,054
Deductions From Revenue										
Charity Services	1,476,234	2,052,526	576,292	28.1%	1,638,615	15,949,165	18,683,558	2,734,393	14.6%	17,564,954
Uncollectible	2,325,992	1,613,796	(712,196)	-44.1%	1,541,187	17,356,336	14,805,478	(2,550,858)	-17.2%	14,186,958
Contractual Allowances	18,655,679	19,729,699	1,074,021	5.4%	17,566,949	172,573,973	177,961,732	5,387,759	3.0%	164,697,199
GAP/MRI	(1,172,720)	(971,171)	201,550	-20.8%	(967,296)	(8,942,087)	(8,740,538)	201,550	-2.3%	(2,722,846)
Other Discounts	80,449	287,796	207,346	72.0%	574,876	1,441,980	2,635,711	1,193,732	45.3%	2,742,898
Total Deductions	21,365,634	22,712,647	1,347,013	5.9%	20,354,331	198,379,367	205,345,942	6,966,575	3.4%	196,469,163
Net Patient Revenue	**21,873,041**	**20,351,655**	**1,521,386**	**7.5%**	**19,478,899**	**176,978,000**	**184,550,772**	**(7,572,772)**	**-4.1%**	**173,667,891**
Other Operating Revenue	1,047,980	950,658	97,323	10.2%	830,277	9,854,865	9,191,270	663,594	7.2%	9,239,592
Total Operating Revenue	**22,921,021**	**21,302,312**	**1,618,709**	**7.6%**	**20,309,176**	**186,832,865**	**193,742,042**	**(6,909,177)**	**-3.6%**	**182,907,483**
Operating Expenses										
Salaries & Wages	8,214,446	8,180,040	(34,406)	-0.4%	8,133,696	73,886,092	74,215,995	329,903	0.4%	75,428,435
Benefits	2,096,132	2,134,072	37,940	1.8%	1,701,734	19,616,979	19,193,651	(423,328)	-2.2%	20,435,994
Contract Labor	263,937	242,359	(21,579)	-8.9%	378,575	3,621,085	2,235,196	(1,385,889)	-62.0%	3,699,777
Professional Fees	537,795	513,647	(24,148)	-4.7%	731,997	5,155,972	4,936,107	(219,865)	-4.5%	6,149,447
Purchased Services	2,180,295	2,028,231	(152,064)	-7.5%	2,282,389	18,669,175	19,418,689	749,514	3.9%	18,258,281
Medical Supplies	2,012,031	1,722,202	(289,829)	-16.8%	1,811,175	15,818,338	15,817,395	(943)	0.0%	16,477,675
Drugs & Pharmaceuticals	1,714,016	1,800,419	86,403	4.8%	1,683,534	15,963,927	16,626,272	662,344	4.0%	16,325,532
Other Supplies	235,713	191,791	(43,922)	-22.9%	245,587	2,017,190	2,041,467	24,277	1.2%	1,922,940
Depreciation & Amortization	2,643,061	1,499,700	(1,143,361)	-76.2%	1,219,645	12,849,545	13,524,927	675,382	5.0%	11,437,932
Lease and Rental	344,156	312,433	(31,723)	-10.2%	377,074	2,865,488	2,881,482	15,993	0.6%	2,991,799
Utilities	315,190	298,734	(16,456)	-5.5%	286,637	2,707,899	2,550,305	(157,594)	-6.2%	2,387,328
Insurance	195,680	206,047	10,367	5.0%	189,532	951,236	1,827,306	876,070	47.9%	1,677,910
Interest	5,469	10,438	4,970	47.6%	214,412	54,244	89,268	35,024	39.2%	3,165,934
Other Expenses	1,020,903	1,237,006	216,103	17.5%	596,281	8,933,211	10,244,013	1,310,802	12.8%	5,289,005
Total Operating Expenses	21,778,825	20,377,119	(1,401,706)	-6.9%	19,852,267	183,110,381	185,602,072	2,491,691	1.3%	185,647,989
Excess of Revenue Over Expenses from Operations	**1,142,196**	**925,193**	**217,002**	**23.5%**	**456,909**	**3,722,484**	**8,139,970**	**(4,417,487)**	**-54.3%**	**(2,740,506)**
Non-Operating										
Other NonOperating Revenue\Expense	64,877	196,865	(131,988)	-67.0%	73,858	598,693	1,771,786	(1,173,093)	-66.2%	1,505,709
Excess of Revenue Over Expenses	**1,207,072**	**1,122,058**	**85,014**	**7.6%**	**530,767**	**4,321,177**	**9,911,756**	**(5,590,579)**	**-56.4%**	**(1,234,797)**
Other Non-Operating										
Investment Income on Assets Whose Use Is Limited	107,867	2,583	105,284	4075.6%	491,659	9,208,851	23,250	9,185,601	39508.7%	3,152,155
Unrealized Gain(Loss)	79,567	2,583	76,983	2979.9%	(1,680,459)	(7,112,739)	23,250	(7,135,989)	-30691.9%	1,078,109
Total Other Non-Operating	187,434	5,167	182,267	3527.8%	(1,188,800)	2,096,112	46,500	2,049,612	4407.8%	4,230,264
Transfers (to) from Affiliates										
Extraordinary Item	-	-	-	0.0%	-	(1,915,739)	(1,878,256)	(37,483)	-2.0%	(1,181,783)
Excess of Revenue Over Expenses	**1,394,506**	**1,127,225**	**267,281**	**23.7%**	**(658,033)**	**4,501,550**	**8,080,000**	**(3,578,450)**	**-44.3%**	**1,813,683**

ALAMANCE REGIONAL MEDICAL CENTER
STATEMENT OF OPERATIONS
FOR THE PERIOD ENDED JUNE 30, 2014

	Current Month - June					Year-To-Date - June				
	Jun-14 Actual	Jun-14 Budget	Variance	Var %	Jun-13 Actual	Jun-14 Actual	Jun-14 Budget	Variance	Var %	Jun-13 Actual
Patient Revenue										
Inpatient	14,435,317	15,045,402	(610,085)	-4.1%	14,346,153	124,214,788	133,853,672	(9,638,885)	-7.2%	130,663,980
Outpatient	24,887,477	23,472,587	1,414,890	6.0%	21,973,066	216,783,986	216,305,300	478,686	0.2%	206,162,780
Professional Fees	739,328	758,644	(19,315)	-2.5%	675,217	6,774,080	7,210,884	(436,805)	-6.1%	6,902,709
Long Term Care Revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Total Patient Revenue	40,062,122	39,276,633	785,489	2.0%	36,994,436	347,772,853	357,369,857	(9,597,004)	-2.7%	343,729,469
Deductions From Revenue										
Charity Services	1,476,234	2,048,366	572,132	27.9%	1,637,135	15,918,807	18,645,769	2,726,962	14.6%	17,532,557
Uncollectible	2,310,053	1,601,035	(709,019)	-44.3%	1,522,743	17,192,346	14,689,561	(2,502,785)	-17.0%	14,095,263
Contractual Allowances	17,539,105	18,401,545	862,440	4.7%	16,630,746	162,676,350	166,703,103	4,026,753	2.4%	155,481,530
GAP/MRI	(1,172,720)	(971,171)	201,550	-20.8%	(967,296)	(8,942,087)	(8,740,538)	201,550	-2.3%	(2,722,846)
Other Discounts	80,749	286,059	205,309	71.8%	574,304	1,423,649	2,619,932	1,196,283	45.7%	2,722,971
Total Deductions	20,233,422	21,365,834	1,132,412	5.3%	19,397,632	188,269,065	193,917,827	5,648,762	2.9%	187,109,475
Net Patient Revenue	**19,828,700**	**17,910,799**	**1,917,901**	**10.7%**	**17,596,804**	**159,503,788**	**163,452,030**	**(3,948,242)**	**-2.4%**	**156,619,993**
Other Operating Revenue	829,051	628,223	200,827	32.0%	558,765	7,074,000	6,328,480	745,521	11.8%	6,350,408
Total Operating Revenue	**20,657,751**	**18,539,022**	**2,118,729**	**11.4%**	**18,155,569**	**166,577,788**	**169,780,509**	**(3,202,721)**	**-1.9%**	**162,970,401**
Operating Expenses										
Salaries & Wages	6,942,980	6,836,371	(106,609)	-1.6%	7,036,311	62,604,989	62,329,710	(275,279)	-0.4%	65,013,774
Benefits	1,813,428	1,844,786	31,358	1.7%	1,489,226	16,978,044	16,664,104	(313,941)	-1.9%	18,163,673
Contract Labor	200,254	195,154	(5,100)	-2.6%	315,014	3,003,002	1,776,617	(1,226,385)	-69.0%	3,177,359
Professional Fees	496,028	502,691	6,663	1.3%	720,574	4,855,914	4,843,509	(12,405)	-0.3%	6,011,829
Purchased Services	1,864,686	1,711,890	(152,795)	-8.9%	1,978,134	16,012,611	16,603,355	590,744	3.6%	15,848,411
Medical Supplies	1,978,360	1,683,431	(294,929)	-17.5%	1,787,197	15,540,512	15,502,899	(37,613)	-0.2%	16,243,960
Drugs & Pharmaceuticals	1,653,222	1,709,142	55,920	3.3%	1,626,656	15,305,543	15,871,168	565,625	3.6%	15,740,548
Other Supplies	205,376	167,599	(37,777)	-22.5%	225,118	1,772,686	1,777,835	5,149	0.3%	1,700,156
Depreciation & Amortization	2,441,778	1,265,677	(1,176,101)	-92.9%	989,361	11,043,255	11,405,596	362,341	3.2%	9,349,594
Lease and Rental	262,148	239,212	(22,936)	-9.6%	256,570	2,158,626	2,222,498	63,872	2.9%	2,352,243
Utilities	237,033	224,012	(13,021)	-5.8%	212,078	2,004,436	1,911,904	(92,532)	-4.8%	1,771,333
Insurance	137,788	164,473	26,685	16.2%	148,209	581,017	1,467,440	886,424	60.4%	1,342,893
Interest	5,469	10,438	4,970	47.6%	27,397	54,244	89,268	35,024	39.2%	1,466,934
Other Expenses	874,999	1,071,367	196,368	18.3%	466,947	7,815,142	8,792,704	977,562	11.1%	4,338,679
Total Operating Expenses	19,113,548	17,626,244	(1,487,305)	-8.4%	17,278,792	159,730,021	161,258,606	1,528,585	0.9%	162,521,386
Excess of Revenue Over Expenses from Operations	**1,544,203**	**912,779**	**631,424**	**69.2%**	**876,777**	**6,847,767**	**8,521,904**	**(1,674,136)**	**-19.6%**	**449,015**
Non-Operating										
Other NonOperating Revenue\Expense	64,349	196,865	(132,516)	-67.3%	73,424	592,595	1,771,786	(1,179,191)	-66.6%	1,499,183
Excess of Revenue Over Expenses	**1,608,552**	**1,109,644**	**498,909**	**45.0%**	**950,201**	**7,440,362**	**10,293,689**	**(2,853,327)**	**-27.7%**	**1,948,199**
Other Non-Operating										
Investment Income on Assets Whose Use Is Limited	98,757	(0)	98,757	0.0%	481,363	9,102,279	(0)	9,102,279	0.0%	3,124,963
Unrealized Gain(Loss)	50,782	(0)	50,782	0.0%	(1,626,016)	(7,268,053)	(0)	(7,268,053)	0.0%	1,039,881
Total Other Non-Operating	149,540	(0)	149,540	0.0%	(1,144,653)	1,834,226	(0)	1,834,226	0.0%	4,164,844
Transfers (to) from Affiliates										
Extraordinary Item	-	-	-	0.0%	-	(5,454,950)	-	(5,454,950)	0.0%	(1,181,783)
Excess of Revenue Over Expenses	**1,758,092**	**1,109,644**	**648,448**	**58.4%**	**(194,452)**	**3,819,639**	**10,293,689**	**(6,474,051)**	**-62.9%**	**4,931,260**

ALAMANCE EXTENDED CARE
STATEMENT OF OPERATIONS
FOR THE PERIOD ENDED JUNE 30, 2014

	Current Month - June					Year-To-Date - June				
	Jun-14 Actual	Jun-14 Budget	Variance	Var %	Jun-13 Actual	Jun-14 Actual	Jun-14 Budget	Variance	Var %	Jun-13 Actual
Patient Revenue										
Inpatient	-	-	-	0.0%	-	-	-	-	0.0%	-
Outpatient	-	-	-	0.0%	-	-	-	-	0.0%	-
Professional Fees	-	-	-	0.0%	-	-	-	-	0.0%	-
Long Term Care Revenue	1,650,748	1,703,151	(52,403)	-3.1%	1,655,149	14,895,407	15,470,012	(574,605)	-3.7%	15,140,375
Total Patient Revenue	1,650,748	1,703,151	(52,403)	-3.1%	1,655,149	14,895,407	15,470,012	(574,605)	-3.7%	15,140,375
Deductions From Revenue										
Charity Services	-	4,160	4,160	100.0%	1,480	30,358	37,789	7,431	19.7%	32,397
Uncollectible	15,939	12,762	(3,177)	-24.9%	18,444	163,990	115,917	(48,073)	-41.5%	94,810
Contractual Allowances	385,011	433,937	48,926	11.3%	377,836	3,628,440	3,941,583	313,142	7.9%	3,656,618
GAP/MRI	-	-	-	0.0%	-	-	-	-	0.0%	-
Other Discounts	(300)	1,737	2,037	117.3%	572	18,331	15,779	(2,551)	-16.2%	19,927
Total Deductions	400,650	452,596	51,946	11.5%	398,332	3,841,119	4,111,068	269,949	6.6%	3,803,752
Net Patient Revenue	**1,250,098**	**1,250,555**	**(457)**	**0.0%**	**1,256,817**	**11,054,288**	**11,358,944**	**(304,656)**	**-2.7%**	**11,336,623**
Other Operating Revenue	162,788	243,754	(80,966)	-33.2%	242,949	2,330,696	2,154,665	176,030	8.2%	2,191,820
Total Operating Revenue	**1,412,885**	**1,494,308**	**(81,423)**	**-5.4%**	**1,499,766**	**13,384,984**	**13,513,610**	**(128,626)**	**-1.0%**	**13,528,443**
Operating Expenses										
Salaries & Wages	522,909	552,523	29,614	5.4%	537,430	4,914,988	5,067,616	152,628	3.0%	4,980,728
Benefits	135,686	146,491	10,805	7.4%	86,778	1,435,608	1,298,826	(136,782)	-10.5%	1,275,921
Contract Labor	13,376	11,090	(2,286)	-20.6%	10,989	96,009	129,685	33,675	26.0%	86,451
Professional Fees	6,827	7,639	811	10.6%	7,756	74,146	61,597	(12,549)	-20.4%	55,068
Purchased Services	211,623	200,509	(11,114)	-5.5%	223,604	1,790,857	1,798,486	7,628	0.4%	1,693,167
Medical Supplies	14,397	18,784	4,388	23.4%	14,890	137,131	172,577	35,446	20.5%	167,122
Drugs & Pharmaceuticals	44,948	46,874	1,925	4.1%	38,766	442,942	431,132	(11,810)	-2.7%	403,709
Other Supplies	13,086	19,159	6,073	31.7%	13,612	156,061	185,486	29,425	15.9%	153,051
Depreciation & Amortization	173,801	210,246	36,445	17.3%	213,155	1,560,193	1,905,036	344,843	18.1%	1,918,300
Lease and Rental	9,373	3,708	(5,666)	-152.8%	7,815	46,587	33,368	(13,219)	-39.6%	38,704
Utilities	62,982	62,268	(714)	-1.1%	60,077	561,723	518,777	(42,946)	-8.3%	514,584
Insurance	6,289	9,095	2,806	30.9%	9,903	63,030	83,220	20,190	24.3%	75,054
Interest	-	-	-	0.0%	187,016	-	-	-	0.0%	1,699,000
Other Expenses	47,724	43,786	(3,938)	-9.0%	42,219	353,434	379,854	26,420	7.0%	340,760
Total Operating Expenses	1,263,022	1,332,171	69,149	5.2%	1,454,011	11,632,710	12,065,659	432,950	3.6%	13,401,619
Excess of Revenue Over Expenses from Operations	**149,863**	**162,137**	**(12,274)**	**-7.6%**	**45,756**	**1,752,274**	**1,447,950**	**304,323**	**21.0%**	**126,824**
Non-Operating										
Other NonOperating Revenue\Expense	-	-	-	0.0%	-	-	-	-	0.0%	-
Excess of Revenue Over Expenses	**149,863**	**162,137**	**(12,274)**	**-7.6%**	**45,756**	**1,752,274**	**1,447,950**	**304,323**	**21.0%**	**126,824**
Other Non-Operating										
Investment Income on Assets Whose Use Is Limited	-	-	-	0.0%	-	3,030	-	3,030	0.0%	-
Unrealized Gain(Loss)	-	0	(0)	0.0%	(1,603)	(6,373)	0	(6,373)	0.0%	43,262
Total Other Non-Operating	-	0	(0)	0.0%	(1,603)	(3,343)	0	(3,343)	0.0%	43,262
Transfers (to) from Affiliates										
Extraordinary Item	-	-	-	0.0%	-	3,539,211	(1,878,256)	5,417,467	288.4%	-
Excess of Revenue Over Expenses	**149,863**	**162,137**	**(12,274)**	**-7.6%**	**44,152**	**5,288,143**	**(430,305)**	**5,718,448**	**-1328.9%**	**170,086**

ARMC PHYSICIANS CARE
STATEMENT OF OPERATIONS
FOR THE PERIOD ENDED JUNE 30, 2014

	Current Month - June					Year-To-Date - June				
	Jun-14 Actual	Jun-14 Budget	Variance	Var %	Jun-13 Actual	Jun-14 Actual	Jun-14 Budget	Variance	Var %	Jun-13 Actual
Patient Revenue										
Inpatient	-	-	-	0.0%	-	-	-	-	0.0%	-
Outpatient	-	-	-	0.0%	-	-	-	-	0.0%	-
Professional Fees	1,525,805	2,084,518	(558,713)	-26.8%	1,183,644	12,689,107	17,056,844	(4,367,737)	-25.6%	11,267,210
Long Term Care Revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Total Patient Revenue	1,525,805	2,084,518	(558,713)	-26.8%	1,183,644	12,689,107	17,056,844	(4,367,737)	-25.6%	11,267,210
Deductions From Revenue										
Charity Services	-	-	-	0.0%	-	-	-	-	0.0%	-
Uncollectible	-	0	0	100.0%	-	-	0	0	100.0%	(3,115)
Contractual Allowances	731,562	894,216	162,654	18.2%	558,367	6,269,183	7,317,046	1,047,864	14.3%	5,559,051
GAP/MRI	-	-	-	0.0%	-	-	-	-	0.0%	-
Other Discounts	-	-	-	0.0%	-	-	-	-	0.0%	-
Total Deductions	731,562	894,217	162,654	18.2%	558,367	6,269,183	7,317,047	1,047,864	14.3%	5,555,936
Net Patient Revenue	**794,243**	**1,190,301**	**(396,059)**	**-33.3%**	**625,277**	**6,419,925**	**9,739,798**	**(3,319,873)**	**-34.1%**	**5,711,275**
Other Operating Revenue	32,249	45,634	(13,386)	-29.3%	131	213,378	410,710	(197,332)	-48.0%	520,571
Total Operating Revenue	**826,491**	**1,235,935**	**(409,444)**	**-33.1%**	**625,409**	**6,633,302**	**10,150,507**	**(3,517,205)**	**-34.7%**	**6,231,845**
Operating Expenses										
Salaries & Wages	739,281	783,047	43,766	5.6%	550,874	6,285,209	6,744,975	459,766	6.8%	5,335,689
Benefits	145,479	140,948	(4,531)	-3.2%	124,609	1,193,075	1,214,096	21,020	1.7%	980,080
Contract Labor	50,307	36,115	(14,192)	-39.3%	52,572	522,074	328,894	(193,180)	-58.7%	435,967
Professional Fees	34,940	3,136	(31,804)	-1014.0%	3,501	223,912	29,480	(194,432)	-659.5%	80,030
Purchased Services	103,586	114,574	10,987	9.6%	79,901	860,513	1,004,657	144,143	14.3%	712,197
Medical Supplies	19,274	19,987	713	3.6%	9,088	140,694	141,919	1,224	0.9%	66,594
Drugs & Pharmaceuticals	15,846	44,403	28,557	64.3%	18,112	215,442	323,972	108,529	33.5%	181,275
Other Supplies	17,092	5,012	(12,080)	-241.0%	6,856	87,496	76,806	(10,690)	-13.9%	68,624
Depreciation & Amortization	27,431	23,725	(3,706)	-15.6%	17,076	245,634	213,820	(31,814)	-14.9%	170,248
Lease and Rental	72,635	69,513	(3,122)	-4.5%	112,688	660,275	625,616	(34,659)	-5.5%	600,852
Utilities	15,175	12,455	(2,721)	-21.8%	14,482	141,740	119,624	(22,116)	-18.5%	101,411
Insurance	51,603	32,479	(19,124)	-58.9%	31,419	307,189	276,646	(30,543)	-11.0%	259,963
Interest	-	-	-	0.0%	-	-	-	-	0.0%	-
Other Expenses	70,388	89,289	18,901	21.2%	57,968	513,253	788,881	275,627	34.9%	444,067
Total Operating Expenses	1,363,038	1,374,683	11,644	0.8%	1,079,146	11,396,508	11,889,384	492,876	4.1%	9,436,996
Excess of Revenue Over Expenses from Operations	**(536,547)**	**(138,747)**	**(397,800)**	**286.7%**	**(453,737)**	**(4,763,206)**	**(1,738,877)**	**(3,024,329)**	**173.9%**	**(3,205,150)**
Non-Operating										
Other NonOperating Revenue\Expense	-	-	-	0.0%	-	-	-	-	0.0%	-
Excess of Revenue Over Expenses	**(536,547)**	**(138,747)**	**(397,800)**	**286.7%**	**(453,737)**	**(4,763,206)**	**(1,738,877)**	**(3,024,329)**	**173.9%**	**(3,205,150)**
Other Non-Operating										
Investment Income on Assets Whose Use Is Limited	-	-	-	0.0%	-	-	-	-	0.0%	-
Unrealized Gain(Loss)	-	-	-	0.0%	-	-	-	-	0.0%	-
Total Other Non-Operating	-	-	-	0.0%	-	-	-	-	0.0%	-
Transfers (to) from Affiliates										
Extraordinary Item	-	-	-	0.0%	-	-	-	-	0.0%	-
Excess of Revenue Over Expenses	**(536,547)**	**(138,747)**	**(397,800)**	**286.7%**	**(453,737)**	**(4,763,206)**	**(1,738,877)**	**(3,024,329)**	**173.9%**	**(3,205,150)**

ARMC FOUNDATION
STATEMENT OF OPERATIONS
FOR THE PERIOD ENDED JUNE 30, 2014

	Current Month - June					Year-To-Date - June				
	Jun-14 Actual	Jun-14 Budget	Variance	Var %	Jun-13 Actual	Jun-14 Actual	Jun-14 Budget	Variance	Var %	Jun-13 Actual
Patient Revenue										
Inpatient	-	-	-	0.0%	-	-	-	-	0.0%	-
Outpatient	-	-	-	0.0%	-	-	-	-	0.0%	-
Professional Fees	-	-	-	0.0%	-	-	-	-	0.0%	-
Long Term Care Revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Total Patient Revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Deductions From Revenue										
Charity Services	-	-	-	0.0%	-	-	-	-	0.0%	-
Uncollectible	-	-	-	0.0%	-	-	-	-	0.0%	-
Contractual Allowances	-	-	-	0.0%	-	-	-	-	0.0%	-
GAP/MRI	-	-	-	0.0%	-	-	-	-	0.0%	-
Other Discounts	-	-	-	0.0%	-	-	-	-	0.0%	-
Total Deductions	-	-	-	0.0%	-	-	-	-	0.0%	-
Net Patient Revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Other Operating Revenue	23,893	33,046	(9,153)	-27.7%	28,431	236,791	297,416	(60,625)	-20.4%	176,794
Total Operating Revenue	23,893	33,046	(9,153)	-27.7%	28,431	236,791	297,416	(60,625)	-20.4%	176,794
Operating Expenses										
Salaries & Wages	9,276	8,098	(1,177)	-14.5%	9,081	80,906	73,694	(7,212)	-9.8%	98,244
Benefits	1,539	1,847	308	16.7%	1,121	10,252	16,626	6,374	38.3%	16,320
Contract Labor	-	-	-	0.0%	-	-	-	-	0.0%	-
Professional Fees	-	181	181	100.0%	167	2,000	1,521	(479)	-31.5%	2,520
Purchased Services	400	1,258	858	68.2%	750	5,193	12,192	6,999	57.4%	4,507
Medical Supplies	-	-	-	0.0%	-	-	-	-	0.0%	-
Drugs & Pharmaceuticals	-	-	-	0.0%	-	-	-	-	0.0%	-
Other Supplies	158	21	(137)	-668.4%	-	946	1,340	394	29.4%	1,109
Depreciation & Amortization	51	52	1	1.0%	53	463	475	12	2.5%	(210)
Lease and Rental	-	-	-	0.0%	-	-	-	-	0.0%	-
Utilities	-	-	-	0.0%	-	-	-	-	0.0%	-
Insurance	-	-	-	0.0%	-	-	-	-	0.0%	-
Interest	-	-	-	0.0%	-	-	-	-	0.0%	-
Other Expenses	27,793	32,565	4,772	14.7%	29,147	251,382	282,575	31,193	11.0%	165,498
Total Operating Expenses	39,217	44,021	4,805	10.9%	40,318	351,142	388,423	37,281	9.6%	287,989
Excess of Revenue Over Expenses from Operations	(15,324)	(10,975)	(4,348)	39.6%	(11,887)	(114,352)	(91,007)	(23,344)	25.7%	(111,195)
Non-Operating										
Other NonOperating Revenue\Expense	527	0	527	0.0%	434	6,098	0	6,098	0.0%	6,526
Excess of Revenue Over Expenses	(14,796)	(10,975)	(3,821)	34.8%	(11,453)	(108,254)	(91,007)	(17,246)	19.0%	(104,669)
Other Non-Operating										
Investment Income on Assets Whose Use Is Limited	9,110	2,583	6,527	252.7%	10,296	103,542	23,250	80,293	345.4%	27,192
Unrealized Gain(Loss)	28,784	2,583	26,201	1014.2%	(52,839)	161,686	23,250	138,436	595.4%	(5,035)
Total Other Non-Operating	37,894	5,167	32,728	633.4%	(42,543)	265,229	46,500	218,729	470.4%	22,157
Transfers (to) from Affiliates										
Extraordinary Item	-	-	-	0.0%	-	-	-	-	0.0%	-
Excess of Revenue Over Expenses	23,098	(5,809)	28,907	-497.7%	(53,996)	156,975	(44,507)	201,482	-452.7%	(82,512)

PARENT ENTITY
STATEMENT OF OPERATIONS
FOR THE PERIOD ENDED JUNE 30, 2014

	Quarter Ended					Fiscal Year To Date				
	Jun Actual	Jun Budget	Var	% Var	Jun Prior Yr Actual	Jun-YTD Actual	Jun-YTD Budget	Var	% Var	Jun-YTD Prior Yr Actual
Gross patient revenue										
Inpatient gross revenue	$ -	$ -	$ -	0.0%	$ -	$ -	$ -	$ -	0.0%	$ -
Outpatient gross revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Professional fee gross revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Long term care gross revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Total gross patient revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Deductions from revenue										
Contractual adjustments	-	-	-	0.0%	-	-	-	-	0.0%	-
Charity care	-	-	-	0.0%	-	-	-	-	0.0%	-
Bad debt expense	-	-	-	0.0%	-	-	-	-	0.0%	-
Other / DSH	-	-	-	0.0%	-	-	-	-	0.0%	-
Total deductions from revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Net patient revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Other operating revenue	7,803,027	8,055,942	(252,915)	-3.1%	6,898,429	23,680,606	24,187,404	(506,799)	-2.1%	20,889,139
Total operating revenues	7,803,027	8,055,942	(252,915)	-3.1%	6,898,429	23,680,606	24,187,404	(506,799)	-2.1%	20,889,139
Operating expenses										
Salaries and wages	158,531	156,421	(2,110)	-1.3%	746,349	459,830	466,945	7,115	1.5%	2,023,390
Benefits	55,906	46,324	(9,582)	-20.7%	260,468	161,623	137,986	(23,638)	-17.1%	678,753
Purchased personnel	-	-	-	0.0%	9,572	-	-	-	0.0%	10,652
Professional services	442,190	456,110	13,919	3.1%	1,140,348	1,389,906	1,342,736	(47,170)	-3.5%	3,980,989
Supplies	1,016	1,153	137	11.8%	11,315	38,311	3,578	(34,734)	-970.9%	52,260
Pharmaceuticals	-	-	-	0.0%	-	-	-	-	0.0%	-
Other operating	2,351,530	2,387,845	36,315	1.5%	4,192,634	7,809,269	7,590,180	(219,090)	-2.9%	13,112,822
Leases	-	-	-	0.0%	-	-	-	-	0.0%	-
Depreciation	7,808,459	8,041,709	233,250	2.9%	6,602,714	23,540,276	24,147,056	606,780	2.5%	19,871,997
Total operating expense	10,817,632	11,089,561	271,929	2.5%	12,963,401	33,399,216	33,688,480	289,263	0.9%	39,730,863
Income from operations	(3,014,605)	(3,033,618)	19,014	-0.6%	(6,064,972)	(9,718,611)	(9,501,075)	(217,535)	2.3%	(18,841,724)
Other income (expense)										
Investment income	13,967,969	6,061,075	7,906,894	130.5%	12,444,048	25,244,139	18,164,100	7,080,039	39.0%	31,357,980
Joint venture income	-	-	-	0.0%	-	-	-	-	0.0%	-
Interest expense	(2,576,152)	(2,597,901)	21,749	-0.8%	(1,288,667)	(6,988,193)	(7,727,708)	739,516	-9.6%	(4,112,573)
Other non-operating revenue	-	69	(69)	-100.0%	125	-	206	(206)	-100.0%	310,695
Other non-operating expense	(961,359)	(920,607)	(40,752)	4.4%	(3,692,342)	(3,819,391)	(3,525,424)	(293,967)	8.3%	(5,932,099)
Minority Interest Expense	-	-	-	0.0%	-	-	-	-	0.0%	-
Total other income (expense)	10,430,457	2,542,636	7,887,822	310.2%	7,463,164	14,436,555	6,911,174	7,525,381	108.9%	21,624,002
Excess of revenues over expenses	7,415,853	(490,983)	7,906,836	-1610.4%	1,398,192	4,717,945	(2,589,901)	7,307,846	-282.2%	2,782,278
Unrealized gain (loss) on investments	6,303,091	-	6,303,091	0.0%	(5,162,351)	24,910,881	-	24,910,881	0.0%	10,585,746
Change in unrestricted net assets	$ 13,718,944	$ (490,983)	$ 14,209,927	-2894.2%	$ (3,764,159)	$ 29,628,825	$ (2,589,901)	$ 32,218,726	-1244.0%	$ 13,368,024

CONE HEALTH FOUNDATION
STATEMENT OF OPERATIONS
FOR THE PERIOD ENDED JUNE 30, 2014

	Quarter Ended					Fiscal Year To Date				
	Jun Actual	Jun Budget	Var	% Var	Jun Prior Yr Actual	Jun-YTD Actual	Jun-YTD Budget	Var	% Var	Jun-YTD Prior Yr Actual
Gross patient revenue										
Inpatient gross revenue	$ -	$ -	$ -	0.0%	$ -	$ -	$ -	$ -	0.0%	$ -
Outpatient gross revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Professional fee gross revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Long term care gross revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Total gross patient revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Deductions from revenue										
Contractual adjustments	-	-	-	0.0%	-	-	-	-	0.0%	-
Charity care	-	-	-	0.0%	-	-	-	-	0.0%	-
Bad debt expense	-	-	-	0.0%	-	-	-	-	0.0%	-
Other / DSH	-	-	-	0.0%	-	-	-	-	0.0%	-
Total deductions from revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Net patient revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Other operating revenue	1,274	147	1,127	769.2%	5,035	5,332	440	4,893	1113.1%	16,828
Total operating revenues	1,274	147	1,127	769.2%	5,035	5,332	440	4,893	1113.1%	16,828
Operating expenses										
Salaries and wages	113,172	130,856	17,684	13.5%	118,856	393,509	387,827	(5,682)	-1.5%	367,667
Benefits	49,873	51,294	1,422	2.8%	52,896	157,067	150,961	(6,106)	-4.0%	158,298
Purchased personnel	-	-	-	0.0%	-	-	-	-	0.0%	-
Professional services	42,692	16,803	(25,889)	-154.1%	14,941	106,232	153,908	47,676	31.0%	33,276
Supplies	1,621	2,657	1,037	39.0%	2,022	11,590	10,672	(918)	-8.6%	8,250
Pharmaceuticals	-	-	-	0.0%	-	-	-	-	0.0%	-
Other operating	50,295	41,217	(9,077)	-22.0%	69,189	121,357	140,681	19,324	13.7%	137,288
Leases	-	-	-	0.0%	-	-	-	-	0.0%	-
Depreciation	-	-	-	0.0%	-	-	-	-	0.0%	-
Total operating expense	257,652	242,828	(14,824)	-6.1%	257,903	789,756	844,050	54,294	6.4%	704,779
Income from operations	(256,378)	(242,681)	(13,697)	5.6%	(252,868)	(784,424)	(843,610)	59,187	-7.0%	(687,951)
Other income (expense)										
Investment income	2,567,426	1,055,788	1,511,639	143.2%	1,356,328	3,680,289	3,167,363	512,926	16.2%	4,745,612
Joint venture income	-	-	-	0.0%	-	-	-	-	0.0%	-
Interest expense	-	-	-	0.0%	-	-	-	-	0.0%	-
Other non-operating revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Other non-operating expense	(138,646)	(117,032)	(21,614)	18.5%	(123,854)	(461,256)	(360,863)	(100,393)	27.8%	(301,781)
Minority Interest Expense	-	-	-	0.0%	-	-	-	-	0.0%	-
Total other income (expense)	2,428,780	938,755	1,490,025	158.7%	1,232,474	3,219,032	2,806,499	412,533	14.7%	4,443,831
Excess of revenues over expenses	2,172,402	696,074	1,476,328	212.1%	979,606	2,434,609	1,962,889	471,720	24.0%	3,755,880
Unrealized gain (loss) on investments	745,014	-	745,014	0.0%	(2,036,776)	4,666,944	-	4,666,944	0.0%	357,639
Change in unrestricted net assets	$ 2,917,417	$ 696,074	$ 2,221,342	319.1%	$ (1,057,171)	$ 7,101,553	$ 1,962,889	$ 5,138,664	261.8%	$ 4,113,519

IMPACT ALAMANCE
STATEMENT OF OPERATIONS
FOR THE PERIOD ENDED JUNE 30, 2014

	Quarter Ended					Fiscal Year To Date				
	Jun Actual	Jun Budget	Var	% Var	Jun Prior Yr Actual	Jun-YTD Actual	Jun-YTD Budget	Var	% Var	Jun-YTD Prior Yr Actual
Gross patient revenue										
Inpatient gross revenue	$ -	$ -	$ -	0.0%	$ -	$ -	$ -	$ -	0.0%	$ -
Outpatient gross revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Professional fee gross revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Long term care gross revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Total gross patient revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Deductions from revenue										
Contractual adjustments	-	-	-	0.0%	-	-	-	-	0.0%	-
Charity care	-	-	-	0.0%	-	-	-	-	0.0%	-
Bad debt expense	-	-	-	0.0%	-	-	-	-	0.0%	-
Other / DSH	-	-	-	0.0%	-	-	-	-	0.0%	-
Total deductions from revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Net patient revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Other operating revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Total operating revenues	-	-	-	0.0%	-	-	-	-	0.0%	-
Operating expenses										
Salaries and wages	69,568	61,705	(7,863)	-12.7%	-	157,569	145,112	(12,457)	-8.6%	-
Benefits	24,716	13,484	(11,232)	-83.3%	-	78,368	32,005	(46,363)	-144.9%	-
Purchased personnel	-	1,250	1,250	100.0%	-	-	3,750	3,750	100.0%	-
Professional services	25,523	4,875	(20,648)	-423.5%	-	26,797	14,625	(12,172)	-83.2%	-
Supplies	(5,676)	4,250	9,926	233.5%	-	8,870	12,750	3,880	30.4%	-
Pharmaceuticals	-	-	-	0.0%	-	-	-	-	0.0%	-
Other operating	20,054	17,282	(2,771)	-16.0%	-	41,615	69,347	27,733	40.0%	-
Leases	-	-	-	0.0%	-	-	-	-	0.0%	-
Depreciation	12,284	-	(12,284)	0.0%	-	12,284	-	(12,284)	0.0%	-
Total operating expense	146,469	102,847	(43,623)	-42.4%	-	325,503	277,589	(47,914)	-17.3%	-
Income from operations	(146,469)	(102,847)	(43,623)	42.4%	-	(325,503)	(277,589)	(47,914)	17.3%	-
Other income (expense)										
Investment income	13,755	574,998	(561,243)	-97.6%	178,055	17,290	1,724,994	(1,707,704)	-99.0%	178,055
Joint venture income	-	-	-	0.0%	-	-	-	-	0.0%	-
Interest expense	-	-	-	0.0%	-	-	-	-	0.0%	-
Other non-operating revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Other non-operating expense	(36,523)	(15,000)	(21,523)	143.5%	-	(95,035)	(45,000)	(50,035)	111.2%	-
Minority Interest Expense	-	-	-	0.0%	-	-	-	-	0.0%	-
Total other income (expense)	(22,768)	559,998	(582,766)	-104.1%	178,055	(77,745)	1,679,994	(1,757,739)	-104.6%	178,055
Excess of revenues over expenses	(169,237)	457,151	(626,389)	-137.0%	178,055	(403,249)	1,402,405	(1,805,653)	-128.8%	178,055
Unrealized gain (loss) on investments	2,464,328	-	2,464,328	0.0%	(1,499,054)	5,938,339	-	5,938,339	0.0%	(1,499,054)
Change in unrestricted net assets	$ 2,295,091	$ 457,151	$ 1,837,940	402.0%	$ (1,320,999)	$ 5,535,091	$ 1,402,405	$ 4,132,686	294.7%	$ (1,320,999)

PHYSICIAN ENTERPRISE
CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE YEAR TO DATE PERIOD ENDED JUNE 30, 2014

	Le Bauer HealthCare	Moses Cone Affil. Physicians	Family Tree Physicians	THN	Total
Gross patient revenue					
Inpatient gross revenue	$ 6,120	$ 1,988	$ 852	$ -	$ 8,960
Outpatient gross revenue	-	-	-	-	-
Professional fee gross revenue	91,931,834	74,454,673	2,863,997	-	169,250,504
Long term care gross revenue	-	-	-	-	-
Total gross patient revenue	91,937,954	74,456,661	2,864,849	-	169,259,464
Deductions from revenue					
Contractual adjustments	(42,980,362)	(34,901,100)	(1,307,910)	-	(79,189,373)
Charity care	(1,549,928)	(1,206,412)	(64,430)	-	(2,820,771)
Bad debt expense	(1,895,321)	(2,078,629)	(29,858)	-	(4,003,808)
Other / DSH	-	-	-	-	-
Total deductions from revenue	(46,425,612)	(38,186,141)	(1,402,198)	-	(86,013,951)
Net patient revenue	45,512,342	36,270,520	1,462,651	-	83,245,512
Other operating revenue	4,284,702	1,596,597	140,808	1,153,994	7,176,101
Total operating revenues	49,797,044	37,867,117	1,603,459	1,153,994	90,421,613
Operating expenses					
Salaries and wages	29,026,284	19,935,543	735,088	2,431,623	52,128,537
Benefits	6,884,462	4,400,838	229,280	891,764	12,406,344
Purchased personnel	124,919	280,501	25,870	-	431,290
Professional services	486,527	(283,137)	16,657	386,073	606,119
Supplies	1,385,299	1,244,150	41,856	84,829	2,756,134
Pharmaceuticals	1,457,077	3,213,649	79,381	12,706	4,762,813
Other operating	9,046,386	8,189,038	447,719	1,235,791	18,918,935
Leases	865,457	-	-	-	865,457
Depreciation	497,081	884,826	27,593	-	1,409,500
Total operating expense	49,773,490	37,865,409	1,603,444	5,042,786	94,285,128
Income from operations	23,554	1,708	14	(3,888,792)	(3,863,515)
Other income (expense)					
Investment income	-	-	-	-	-
Joint venture income	-	-	-	-	-
Interest expense	-	-	-	-	-
Other revenue	1,807	(1,333)	-	-	473
Other expense	(26,395)	(375)	-	-	(26,770)
Total other income (expense)	(24,588)	(1,708)	-	-	(26,297)
Minority Interest Expense	-	-	-	-	-
Excess of revenues over expenses	(1,035)	0	14	(3,888,792)	(3,889,812)
Unrealized gain (loss) on investments	-	-	-	-	-
Change in unrestricted net assets	$ (1,035)	$ 0	$ 14	$ (3,888,792)	$ (3,889,812)

PHYSICIAN ENTERPRISE
CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE QUARTER ENDED JUNE 30, 2014

	Le Bauer HealthCare	Moses Cone Affil. Physicians	Family Tree Physicians	THN	Total
Gross patient revenue					
Inpatient gross revenue	$ 2,280	$ 1,704	$ 852	$ -	$ 4,836
Outpatient gross revenue	-	-	-	-	-
Professional fee gross revenue	30,859,635	25,424,099	933,174	-	57,216,909
Long term care gross revenue	-	-	-	-	-
Total gross patient revenue	30,861,915	25,425,803	934,026	-	57,221,745
Deductions from revenue					
Contractual adjustments	(14,465,406)	(11,436,349)	(484,460)	-	(26,386,214)
Charity care	(426,921)	(378,891)	(25,050)	-	(830,863)
Bad debt expense	(634,921)	(712,497)	(8,678)	-	(1,356,096)
Other / DSH	-	-	-	-	-
Total deductions from revenue	(15,527,248)	(12,527,737)	(518,188)	-	(28,573,173)
Net patient revenue	15,334,667	12,898,067	415,838	-	28,648,572
Other operating revenue	1,401,089	619,389	43,532	465,826	2,529,836
Total operating revenues	16,735,756	13,517,456	459,370	465,826	31,178,407
Operating expenses					
Salaries and wages	9,839,474	7,367,144	154,008	836,492	18,197,118
Benefits	2,256,222	1,603,309	79,620	307,351	4,246,502
Purchased personnel	48,399	135,815	9,668	-	193,881
Professional services	178,311	(360,518)	5,649	169,336	(7,223)
Supplies	448,332	431,224	12,300	41,837	933,693
Pharmaceuticals	442,946	1,037,160	26,416	3,454	1,509,976
Other operating	3,063,472	2,989,602	162,204	497,299	6,712,576
Leases	288,264	-	-	-	288,264
Depreciation	170,582	312,387	9,491	-	492,460
Total operating expense	16,736,001	13,516,123	459,356	1,855,769	32,567,249
					-
Income from operations	(245)	1,333	14	(1,389,944)	(1,388,841)
Other income (expense)					
Investment income	-	-	-	-	-
Joint venture income	-	-	-	-	-
Interest expense	-	-	-	-	-
Other revenue	(258)	(1,333)	-	-	(1,592)
Other expense	(500)	-	-	-	(500)
Total other income (expense)	(758)	(1,333)	-	-	(2,092)
Minority Interest Expense	-	-	-	-	-
Excess of revenues over expenses	(1,003)	0	14	(1,389,944)	(1,390,933)
Unrealized gain (loss) on investments	-	-	-	-	-
Change in unrestricted net assets	$ (1,003)	$ 0	$ 14	$ (1,389,944)	$ (1,390,933)

COMBINED PHYSICIAN ENTERPRISE
STATEMENT OF OPERATIONS
FOR THE PERIOD ENDED JUNE 30, 2014

	Current Quarter					Current Fiscal Year To Date				
	Jun Actual	Jun Budget	Var	% Var	Jun Prior Yr Actual	Jun-YTD Actual	Jun-YTD Budget	Var	% Var	Jun-YTD Prior Yr Actual
Gross patient revenue										
Inpatient gross revenue	$ 4,836	$ -	$ 4,836	0.0%	$ 1,680	$ 8,960	$ -	$ 8,960	0.0%	$ 3,720
Outpatient gross revenue	-	-	-	0.0%	170	-	-	-	0.0%	170
Professional fee gross revenue	57,216,909	54,614,975	2,601,934	4.8%	54,304,944	169,250,504	175,756,679	(6,506,176)	-3.7%	152,358,440
Long term care gross revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Total gross patient revenue	57,221,745	54,614,975	2,606,770	4.8%	54,306,794	169,259,464	175,756,679	(6,497,216)	-3.7%	152,362,330
Deductions from revenue										
Contractual adjustments	(26,386,214)	(28,307,375)	1,921,160	-6.8%	(25,024,509)	(79,189,373)	(84,435,067)	5,245,694	-6.2%	(68,951,993)
Charity care	(830,863)	-	(830,863)	0.0%	(1,120,177)	(2,820,771)	-	(2,820,771)	0.0%	(3,793,359)
Bad debt expense	(1,356,096)	(1,405,896)	49,800	-3.5%	(1,304,452)	(4,003,808)	(4,201,148)	197,340	-4.7%	(3,644,505)
Other / DSH	-	-	-	0.0%	-	-	-	-	0.0%	-
Total deductions from revenue	(28,573,173)	(29,713,271)	1,140,098	-3.8%	(27,449,137)	(86,013,951)	(88,636,215)	2,622,264	-3.0%	(76,389,856)
Net patient revenue	28,648,572	24,901,704	3,746,867	15.0%	26,857,657	83,245,512	87,120,464	(3,874,952)	-4.4%	75,972,474
Other operating revenue	2,529,836	5,679,117	(3,149,282)	-55.5%	2,266,897	7,176,101	10,190,822	(3,014,721)	-29.6%	7,465,797
Total operating revenues	31,178,407	30,580,822	597,586	2.0%	29,124,554	90,421,613	97,311,286	(6,889,673)	-7.1%	83,438,271
Operating expenses										
Salaries and wages	18,197,118	16,938,701	(1,258,417)	-7.4%	18,259,351	52,128,537	58,305,180	6,176,642	10.6%	51,935,053
Benefits	4,246,502	4,057,354	(189,148)	-4.7%	3,733,803	12,406,344	12,190,807	(215,537)	-1.8%	11,228,998
Purchased personnel	193,881	81,349	(112,532)	-138.3%	143,635	431,290	302,208	(129,082)	-42.7%	510,788
Professional services	(7,223)	326,675	333,897	102.2%	253,574	606,119	980,112	373,994	38.2%	959,221
Supplies	933,693	940,594	6,901	0.7%	887,019	2,756,134	3,005,451	249,317	8.3%	2,629,347
Pharmaceuticals	1,509,976	857,797	(652,179)	-76.0%	884,861	4,762,813	2,904,257	(1,858,556)	-64.0%	2,552,837
Other operating	6,712,576	5,953,447	(759,129)	-12.8%	4,242,935	18,918,935	20,252,594	1,333,659	6.6%	11,510,078
Leases	288,264	283,783	(4,481)	-1.6%	265,991	865,457	850,362	(15,095)	-1.8%	802,050
Depreciation	492,460	528,959	36,498	6.9%	446,285	1,409,500	1,527,508	118,008	7.7%	1,284,504
Total operating expense	32,567,249	29,968,658	(2,598,590)	-8.7%	29,117,454	94,285,128	100,318,478	6,033,349	6.0%	83,412,876
Income from operations	(1,388,841)	612,163	(2,001,004)	-326.9%	7,100	(3,863,515)	(3,007,191)	(856,324)	28.5%	25,395
Other income (expense)										
Investment income	-	-	-	0.0%	-	-	-	-	0.0%	-
Joint venture income	-	-	-	0.0%	-	-	-	-	0.0%	-
Interest expense	-	-	-	0.0%	-	-	-	-	0.0%	-
Other revenue	(1,592)	(359)	(1,233)	344.0%	-	473	(1,076)	1,549	-144.0%	-
hide	(500)	(7,694)	7,194	-93.5%	(7,100)	(26,770)	(23,081)	(3,689)	16.0%	(25,395)
Total other income (expense)	(2,092)	(8,052)	5,961	-74.0%	(7,100)	(26,297)	(24,157)	(2,140)	8.9%	(25,395)
Excess of revenues over expenses	(1,390,933)	604,111	(1,995,044)	-330.2%	(0)	(3,889,812)	(3,031,348)	(858,464)	28.3%	0
Unrealized gain (loss) on investments	-	-	-	0.0%	-	-	-	-	0.0%	-
Change in unrestricted net assets	$(1,390,933)	$ 604,111	$(1,995,044)	-330.2%	$ (0)	$ (3,889,812)	$ (3,031,348)	$ (858,464)	28.3%	$ 0

LE BAUER HEALTHCARE
STATEMENT OF OPERATIONS
FOR THE PERIOD ENDED JUNE 30, 2014

	Current Quarter					Current Fiscal Year To Date				
	Jun Actual	Jun Budget	Var	% Var	Jun Prior Yr Actual	Jun-YTD Actual	Jun-YTD Budget	Var	% Var	Jun-YTD Prior Yr Actual
Gross patient revenue										
Inpatient gross revenue	$ 2,280	$ -	$ 2,280	0.0%	$ 1,680	$ 6,120	$ -	$ 6,120	0.0%	$ 3,720
Outpatient gross revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Professional fee gross revenue	30,859,635	30,710,164	149,471	0.5%	30,270,265	91,931,834	92,752,171	(820,337)	-0.9%	90,207,454
Long term care gross revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Total gross patient revenue	30,861,915	30,710,164	151,751	0.5%	30,271,945	91,937,954	92,752,171	(814,217)	-0.9%	90,211,174
Deductions from revenue										
Contractual adjustments	(14,465,406)	(14,864,580)	399,174	-2.7%	(13,883,037)	(42,980,362)	(44,121,849)	1,141,487	-2.6%	(40,955,407)
Charity care	(426,921)	-	(426,921)	0.0%	(673,539)	(1,549,928)	-	(1,549,928)	0.0%	(2,384,022)
Bad debt expense	(634,921)	(606,637)	(28,284)	4.7%	(624,204)	(1,895,321)	(1,800,651)	(94,670)	5.3%	(1,862,560)
Other / DSH	-	-	-	0.0%	-	-	-	-	0.0%	-
Total deductions from revenue	(15,527,248)	(15,471,217)	(56,032)	0.4%	(15,180,780)	(46,425,612)	(45,922,500)	(503,112)	1.1%	(45,201,989)
Net patient revenue	15,334,667	15,238,947	95,720	0.6%	15,091,165	45,512,342	46,829,670	(1,317,329)	-2.8%	45,009,185
Other operating revenue	1,401,089	1,460,485	(59,397)	-4.1%	1,460,681	4,284,702	4,381,294	(96,592)	-2.2%	4,563,675
Total operating revenues	16,735,756	16,699,432	36,323	0.2%	16,551,847	49,797,044	51,210,964	(1,413,921)	-2.8%	49,572,860
Operating expenses										
Salaries and wages	9,839,474	9,549,676	(289,798)	-3.0%	10,303,956	29,026,284	29,643,977	617,693	2.1%	30,383,556
Benefits	2,256,222	2,315,252	59,031	2.5%	2,182,129	6,884,462	6,889,327	4,865	0.1%	6,837,890
Purchased personnel	48,399	11,156	(37,244)	-333.9%	48,881	124,919	48,427	(76,492)	-158.0%	98,318
Professional services	178,311	144,502	(33,809)	-23.4%	123,317	486,527	433,594	(52,933)	-12.2%	430,535
Supplies	448,332	443,040	(5,292)	-1.2%	438,890	1,385,299	1,377,750	(7,549)	-0.5%	1,327,997
Pharmaceuticals	442,946	401,983	(40,963)	-10.2%	399,986	1,457,077	1,393,699	(63,378)	-4.5%	1,358,669
Other operating	3,063,472	3,293,167	229,696	7.0%	2,609,370	9,046,386	9,861,785	815,399	8.3%	7,750,409
Leases	288,264	283,783	(4,481)	-1.6%	265,991	865,457	850,362	(15,095)	-1.8%	802,050
Depreciation	170,582	250,289	79,706	31.8%	172,827	497,081	692,291	195,210	28.2%	559,042
Total operating expense	16,736,001	16,692,847	(43,154)	-0.3%	16,545,347	49,773,490	51,191,210	1,417,720	2.8%	49,548,465
Income from operations	(245)	6,585	(6,830)	-103.7%	6,500	23,554	19,754	3,800	19.2%	24,395
Other income (expense)										
Investment income	-	-	-	0.0%	-	-	-	-	0.0%	-
Joint venture income	-	-	-	0.0%	-	-	-	-	0.0%	-
Interest expense	-	-	-	0.0%	-	-	-	-	0.0%	-
Other revenue	(258)	(89)	(169)	188.7%	-	1,807	(268)	2,075	-773.2%	-
Other expense	(500)	(7,500)	7,000	-93.3%	(6,500)	(26,395)	(22,500)	(3,895)	17.3%	(24,395)
Total other income (expense)	(758)	(7,589)	6,831	-90.0%	(6,500)	(24,588)	(22,768)	(1,820)	8.0%	(24,395)
Minority Interest Expense	-	-	-	0.0%	-	-	-	-	0.0%	-
Excess of revenues over expenses	(1,003)	(1,004)	1	-0.1%	(0)	(1,035)	(3,014)	1,980	-65.7%	(0)
Unrealized gain (loss) on investments	-	-	-	0.0%	-	-	-	-	0.0%	-
Change in unrestricted net assets	$ (1,003)	$ (1,004)	$ 1	-0.1%	$ (0)	$ (1,035)	$ (3,014)	$ 1,980	-65.7%	$ (0)

MOSES CONE AFFILIATED PHYSICIANS
STATEMENT OF OPERATIONS
FOR THE PERIOD ENDED JUNE 30, 2014

	Current Quarter					Current Fiscal Year To Date				
	Jun Actual	Jun Budget	Var	% Var	Jun Prior Yr Actual	Jun-YTD Actual	Jun-YTD Budget	Var	% Var	Jun-YTD Prior Yr Actual
Gross patient revenue										
Inpatient gross revenue	$ 1,704	$ -	$ 1,704	0.0%	$ -	$ 1,988	$ -	$ 1,988	0.0%	$ -
Outpatient gross revenue	-	-	-	0.0%	170	-	-	-	0.0%	170
Professional fee gross revenue	25,424,099	23,272,331	2,151,768	9.2%	23,164,115	74,454,673	80,293,317	(5,838,644)	-7.3%	59,420,853
Long term care gross revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Total gross patient revenue	25,425,803	23,272,331	2,153,472	9.3%	23,164,285	74,456,661	80,293,317	(5,836,656)	-7.3%	59,421,023
Deductions from revenue										
Contractual adjustments	(11,436,349)	(13,000,926)	1,564,577	-12.0%	(10,745,128)	(34,901,100)	(39,001,639)	4,100,539	-10.5%	(26,763,373)
Charity care	(378,891)	-	(378,891)	0.0%	(421,723)	(1,206,412)	-	(1,206,412)	0.0%	(1,329,313)
Bad debt expense	(712,497)	(767,505)	55,008	-7.2%	(645,145)	(2,078,629)	(2,306,241)	227,611	-9.9%	(1,690,913)
Other / DSH	-	-	-	0.0%	-	-	-	-	0.0%	-
Total deductions from revenue	(12,527,737)	(13,768,431)	1,240,694	-9.0%	(11,811,996)	(38,186,141)	(41,307,880)	3,121,738	-7.6%	(29,783,600)
Net patient revenue	12,898,067	9,503,901	3,394,166	35.7%	11,352,289	36,270,520	38,985,437	(2,714,917)	-7.0%	29,637,423
Other operating revenue	619,389	416,895	202,495	48.6%	595,501	1,596,597	1,235,316	361,282	29.2%	2,449,141
Total operating revenues	13,517,456	9,920,795	3,596,661	36.3%	11,947,789	37,867,117	40,220,753	(2,353,636)	-5.9%	32,086,564
Operating expenses										
Salaries and wages	7,367,144	6,418,777	(948,367)	-14.8%	7,048,870	19,935,543	25,065,012	5,129,469	20.5%	18,914,840
Benefits	1,603,309	1,337,931	(265,378)	-19.8%	1,234,201	4,400,838	4,112,097	(288,741)	-7.0%	3,481,848
Purchased personnel	135,815	51,383	(84,432)	-164.3%	73,412	280,501	194,149	(86,352)	-44.5%	349,167
Professional services	(360,518)	52,282	412,800	789.6%	24,011	(283,137)	156,845	439,983	280.5%	222,713
Supplies	431,224	427,128	(4,097)	-1.0%	385,852	1,244,150	1,405,450	161,300	11.5%	1,192,391
Pharmaceuticals	1,037,160	441,546	(595,614)	-134.9%	474,008	3,213,649	1,460,096	(1,753,553)	-120.1%	1,160,749
Other operating	2,989,602	918,697	(2,070,905)	-225.4%	2,439,460	8,189,038	7,008,741	(1,180,297)	-16.8%	6,056,639
Leases	-	-	-	0.0%	-	-	-	-	0.0%	-
Depreciation	312,387	272,588	(39,799)	-14.6%	267,376	884,826	816,972	(67,854)	-8.3%	707,218
Total operating expense	13,516,123	9,920,332	(3,595,791)	-36.2%	11,947,189	37,865,409	40,219,363	2,353,955	5.9%	32,085,564
Income from operations	1,333	463	870	187.8%	600	1,708	1,389	319	23.0%	1,000
Other income (expense)										
Investment income	-	-	-	0.0%	-	-	-	-	0.0%	-
Joint venture income	-	-	-	0.0%	-	-	-	-	0.0%	-
Interest expense	-	-	-	0.0%	-	-	-	-	0.0%	-
Other revenue	(1,333)	(269)	(1,064)	395.6%	-	(1,333)	(807)	(526)	65.2%	-
Other expense	-	(194)	194	-100.0%	(600)	(375)	(581)	206	-35.5%	(1,000)
Total other income (expense)	(1,333)	(463)	(871)	188.1%	(600)	(1,708)	(1,388)	(320)	23.0%	(1,000)
Minority Interest Expense	-	-	-	0.0%	-	-	-	-	0.0%	-
Excess of revenues over expenses	0	0	(0)	-95.7%	0	0	1	(1)	-97.1%	0
Unrealized gain (loss) on investments	-	-	-	0.0%	-	-	-	-	0.0%	-
Change in unrestricted net assets	$ 0	$ 0	$ (0)	-95.7%	$ 0	$ 0	$ 1	$ (1)	-97.1%	$ 0

FAMILY TREE OB/GYN PHYSICIAN PRACTICE
STATEMENT OF OPERATIONS
FOR THE PERIOD ENDED JUNE 30, 2014

	Current Quarter					Current Fiscal Year To Date				
	Jun Actual	Jun Budget	Var	% Var	Jun Prior Yr Actual	Jun-YTD Actual	Jun-YTD Budget	Var	% Var	Jun-YTD Prior Yr Actual
Gross patient revenue										
Inpatient gross revenue	$ 852	$ -	$ 852	0.0%	$ -	$ 852	$ -	$ 852	0.0%	$ -
Outpatient gross revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Professional fee gross revenue	933,174	632,481	300,694	47.5%	870,564	2,863,997	2,711,192	152,805	5.6%	2,730,133
Long term care gross revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Total gross patient revenue	934,026	632,481	301,546	47.7%	870,564	2,864,849	2,711,192	153,657	5.7%	2,730,133
Deductions from revenue										
Contractual adjustments	(484,460)	(441,869)	(42,591)	9.6%	(396,344)	(1,307,910)	(1,311,579)	3,669	-0.3%	(1,233,212)
Charity care	(25,050)	-	(25,050)	0.0%	(24,915)	(64,430)	-	(64,430)	0.0%	(80,024)
Bad debt expense	(8,678)	(31,755)	23,077	-72.7%	(35,102)	(29,858)	(94,256)	64,399	-68.3%	(91,032)
Other / DSH	-	-	-	0.0%	-	-	-	-	0.0%	-
Total deductions from revenue	(518,188)	(473,624)	(44,564)	9.4%	(456,361)	(1,402,198)	(1,405,835)	3,637	-0.3%	(1,404,268)
Net patient revenue	415,838	158,857	256,981	161.8%	414,203	1,462,651	1,305,357	157,294	12.0%	1,325,865
Other operating revenue	43,532	52,978	(9,446)	-17.8%	52,658	140,808	158,933	(18,125)	-11.4%	161,077
Total operating revenues	459,370	211,834	247,536	116.9%	466,861	1,603,459	1,464,289	139,169	9.5%	1,486,942
Operating expenses										
Salaries and wages	154,008	(13,622)	(167,630)	1230.6%	230,957	735,088	722,224	(12,865)	-1.8%	761,506
Benefits	79,620	71,168	(8,452)	-11.9%	71,745	229,280	206,560	(22,720)	-11.0%	220,321
Purchased personnel	9,668	18,811	9,143	48.6%	21,342	25,870	59,633	33,763	56.6%	63,302
Professional services	5,649	9,254	3,605	39.0%	8,895	16,657	27,761	11,104	40.0%	28,674
Supplies	12,300	9,297	(3,003)	-32.3%	13,435	41,856	38,863	(2,993)	-7.7%	39,549
Pharmaceuticals	26,416	6,199	(20,217)	-326.1%	10,442	79,381	26,256	(53,125)	-202.3%	31,493
Other operating	162,204	144,448	(17,756)	-12.3%	103,963	447,719	443,108	(4,611)	-1.0%	323,852
Leases	-	-	-	0.0%	-	-	-	-	0.0%	-
Depreciation	9,491	6,082	(3,409)	-56.1%	6,082	27,593	18,245	(9,349)	-51.2%	18,245
Total operating expense	459,356	251,636	(207,720)	-82.5%	466,861	1,603,444	1,542,649	(60,795)	-3.9%	1,486,942
Income from operations	14	(39,802)	39,816	-100.0%	-	14	(78,359)	78,374	-100.0%	0
Other income (expense)										
Investment income	-	-	-	0.0%	-	-	-	-	0.0%	-
Joint venture income	-	-	-	0.0%	-	-	-	-	0.0%	-
Interest expense	-	-	-	0.0%	-	-	-	-	0.0%	-
Other revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Other expense	-	-	-	0.0%	-	-	-	-	0.0%	-
Total other income (expense)	-	-	-	0.0%	-	-	-	-	0.0%	-
Minority Interest Expense	-	-	-	0.0%	-	-	-	-	0.0%	-
Excess of revenues over expenses	14	(39,802)	39,816	-100.0%	-	14	(78,359)	78,374	-100.0%	0
Unrealized gain (loss) on investments	-	-	-	0.0%	-	-	-	-	0.0%	-
Change in unrestricted net assets	$ 14	$ (39,802)	$ 39,816	-100.0%	$ -	$ 14	$ (78,359)	$ 78,374	-100.0%	$ 0

TRIAD HEALTHCARE NETWORK
STATEMENT OF OPERATIONS
FOR THE PERIOD ENDED JUNE 30, 2014

	Current Quarter					Current Fiscal Year To Date				
	Jun Actual	Jun Budget	Var	% Var	Jun Prior Yr Actual	Jun-YTD Actual	Jun-YTD Budget	Var	% Var	Jun-YTD Prior Yr Actual
Gross patient revenue										
Inpatient gross revenue	$ -	$ -	$ -	0.0%	$ -	$ -	$ -	$ -	0.0%	$ -
Outpatient gross revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Professional fee gross revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Long term care gross revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Total gross patient revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Deductions from revenue										
Contractual adjustments	-	-	-	0.0%	-	-	-	-	0.0%	-
Charity care	-	-	-	0.0%	-	-	-	-	0.0%	-
Bad debt expense	-	-	-	0.0%	-	-	-	-	0.0%	-
Other / DSH	-	-	-	0.0%	-	-	-	-	0.0%	-
Total deductions from revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Net patient revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Other operating revenue	465,826	3,748,760	(3,282,934)	-87.6%	158,057	1,153,994	4,415,280	(3,261,286)	-73.9%	291,905
Total operating revenues	465,826	3,748,760	(3,282,934)	-87.6%	158,057	1,153,994	4,415,280	(3,261,286)	-73.9%	291,905
Operating expenses										
Salaries and wages	836,492	983,870	147,377	15.0%	675,568	2,431,623	2,873,968	442,345	15.4%	1,875,151
Benefits	307,351	333,003	25,652	7.7%	245,728	891,764	982,823	91,059	9.3%	688,940
Purchased personnel	-	-	-	0.0%	-	-	-	-	0.0%	-
Professional services	169,336	120,638	(48,699)	-40.4%	97,351	386,073	361,913	(24,160)	-6.7%	277,299
Supplies	41,837	61,129	19,292	31.6%	48,842	84,829	183,387	98,558	53.7%	69,409
Pharmaceuticals	3,454	8,069	4,615	57.2%	425	12,706	24,206	11,500	47.5%	1,927
Other operating	497,299	1,597,135	1,099,837	68.9%	(909,858)	1,235,791	2,938,959	1,703,168	58.0%	(2,620,821)
Leases	-	-	-	0.0%	-	-	-	-	0.0%	-
Depreciation	-	-	-	0.0%	-	-	-	-	0.0%	-
Total operating expense	1,855,769	3,103,844	1,248,074	40.2%	158,057	5,042,786	7,365,256	2,322,470	31.5%	291,905
Income from operations	(1,389,944)	644,916	(2,034,860)	-315.5%	-	(3,888,792)	(2,949,975)	(938,816)	31.8%	(0)
Other income (expense)										
Investment income	-	-	-	0.0%	-	-	-	-	0.0%	-
Joint venture income	-	-	-	0.0%	-	-	-	-	0.0%	-
Interest expense	-	-	-	0.0%	-	-	-	-	0.0%	-
Other revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Other expense	-	-	-	0.0%	-	-	-	-	0.0%	-
Total other income (expense)	-	-	-	0.0%	-	-	-	-	0.0%	-
Minority Interest Expense	-	-	-	0.0%	-	-	-	-	0.0%	-
Excess of revenues over expenses	(1,389,944)	644,916	(2,034,860)	-315.5%	-	(3,888,792)	(2,949,975)	(938,816)	31.8%	(0)
Unrealized gain (loss) on investments	-	-	-	0.0%	-	-	-	-	0.0%	-
Change in unrestricted net assets	$(1,389,944)	$ 644,916	$(2,034,860)	-315.5%	$ -	$(3,888,792)	$(2,949,975)	$ (938,816)	31.8%	$ (0)