

**MONTROSE MEMORIAL HOSPITAL  
CONSOLIDATED INCOME STATEMENT - COMPARISON TO BUDGET  
FOR THE MONTH ENDED MARCH 31, 2012**

|    | CURRENT<br>MONTH<br>ACTUAL | CURRENT<br>MONTH<br>BUDGET | AMOUNT<br>VARIANCE | %      |                             | YTD<br>ACTUAL | YTD<br>BUDGET | AMOUNT<br>VARIANCE | %      |
|----|----------------------------|----------------------------|--------------------|--------|-----------------------------|---------------|---------------|--------------------|--------|
| 1  | 1,768,220                  | 1,858,491                  | (90,271)           | -4.9%  | TOTAL INPATIENT ROUTINE     | 5,330,908     | 5,326,109     | 4,799              | 0.1%   |
| 2  | 3,345,750                  | 3,710,436                  | (364,686)          | -9.8%  | TOTAL INPATIENT ANCILLARY   | 10,453,062    | 10,402,627    | 50,435             | 0.5%   |
| 3  | 5,113,970                  | 5,568,927                  | (454,957)          | -8.2%  | TOTAL INPATIENT REVENUE     | 15,783,971    | 15,728,736    | 55,235             | 0.4%   |
| 4  | 8,216,548                  | 8,739,170                  | (522,622)          | -6.0%  | TOTAL OUTPATIENT REVENUE    | 22,356,330    | 23,928,376    | (1,572,046)        | -6.6%  |
| 5  | 13,330,518                 | 14,308,097                 | (977,579)          | -6.8%  | TOTAL PATIENT REVENUE       | 38,140,301    | 39,657,112    | (1,516,811)        | -3.8%  |
| 6  | 5,733,119                  | 6,388,363                  | (655,244)          | -10.3% | CONTRACTUAL CURRENT YEAR    | 16,796,707    | 17,692,113    | (895,406)          | -5.1%  |
| 7  | 0                          | 0                          | 0                  | 0.0%   | CONTRACTUAL PRIOR YEAR      | 0             | 0             | 0                  | 0.0%   |
| 8  | 946,219                    | 1,088,784                  | (142,565)          | -13.1% | CHARITY                     | 2,744,073     | 3,015,311     | (271,238)          | -9.0%  |
| 9  | 28,523                     | 48,650                     | (20,127)           | -41.4% | OTHER                       | 131,860       | 134,733       | (2,873)            | -2.1%  |
| 10 | (558,411)                  | (558,411)                  | 0                  | 0.0%   | PROVIDER FEE REIMBURSEMENT  | (1,674,016)   | (1,675,233)   | 1,217              | -0.1%  |
| 11 | 348,355                    | 373,468                    | (25,113)           | -6.7%  | BAD DEBTS                   | 1,133,682     | 1,034,293     | 99,389             | 9.6%   |
| 12 | 6,497,805                  | 7,340,854                  | (843,049)          | -11.5% | TOTAL REVENUE DEDUCTIONS    | 19,132,306    | 20,201,217    | (1,068,911)        | -5.3%  |
| 13 | 6,832,712                  | 6,967,243                  | (134,531)          |        | NET PATIENT REVENUES        | 19,007,995    | 19,455,895    | (447,900)          | -2.3%  |
| 14 | 62,377                     | 58,886                     | 3,491              | 5.9%   | OTHER REVENUE               | 178,192       | 180,661       | (2,469)            | -1.4%  |
| 15 | 18,791                     | 21,833                     | (3,042)            | -13.9% | SJCC JOINT VENTURE          | 56,868        | 65,500        | (8,632)            | -13.2% |
| 16 | 6,913,880                  | 7,047,962                  | (134,082)          | -1.9%  | NET REVENUE                 | 19,243,055    | 19,702,056    | (459,001)          | -2.3%  |
| 17 | 2,246,391                  | 2,228,590                  | 17,801             | 0.8%   | SALARIES AND WAGES          | 6,579,415     | 6,525,548     | 53,867             | 0.8%   |
| 18 | 571,636                    | 562,724                    | 8,912              | 1.6%   | BENEFITS                    | 1,808,935     | 1,672,776     | 136,159            | 8.1%   |
| 19 | 590,846                    | 529,581                    | 61,265             | 11.6%  | FEES - PHYSICIAN            | 1,701,996     | 1,588,739     | 113,257            | 7.1%   |
| 20 | 325,819                    | 314,331                    | 11,488             | 3.7%   | FEES - OTHER                | 870,878       | 931,041       | (60,163)           | -6.5%  |
| 21 | 219,703                    | 136,687                    | 83,016             | 60.7%  | FEES - CONTRACT             | 493,840       | 413,058       | 80,782             | 19.6%  |
| 22 | 908,030                    | 1,148,751                  | (240,721)          | -21.0% | SUPPLIES                    | 2,916,394     | 3,151,725     | (235,331)          | -7.5%  |
| 23 | 86,035                     | 90,927                     | (4,892)            | -5.4%  | UTILITIES                   | 280,188       | 272,834       | 7,354              | 2.7%   |
| 24 | 198,123                    | 201,230                    | (3,107)            | -1.5%  | REPAIRS & MAINTENANCE       | 605,861       | 605,247       | 614                | 0.1%   |
| 25 | 147,526                    | 123,930                    | 23,596             | 19.0%  | LEASES & RENTALS            | 377,697       | 371,686       | 6,011              | 1.6%   |
| 26 | 42,752                     | 42,138                     | 614                | 1.5%   | INSURANCE                   | 132,086       | 126,415       | 5,671              | 4.5%   |
| 27 | 167,482                    | 167,527                    | (45)               | 0.0%   | INTEREST EXPENSE            | 502,702       | 502,729       | (27)               | 0.0%   |
| 28 | 185,286                    | 254,842                    | (69,556)           | -27.3% | OTHER EXPENSES              | 514,752       | 615,879       | (101,127)          | -16.4% |
| 29 | 446,227                    | 443,319                    | 2,908              | 0.7%   | PROVIDER FEE                | 1,230,449     | 1,217,963     | 12,486             | 1.0%   |
| 30 | 17,326                     | 27,785                     | (10,459)           | -37.6% | MARKETING / ADVERTISING     | 61,110        | 84,856        | (23,746)           | -28.0% |
| 31 | 344,077                    | 369,744                    | (25,667)           | -6.9%  | DEPRECIATION & AMORTIZATION | 1,024,200     | 1,090,199     | (65,999)           | -6.1%  |
| 32 | 6,497,259                  | 6,642,106                  | (144,847)          | -2.2%  | TOTAL OPERATING EXPENSES    | 19,100,502    | 19,170,695    | (70,193)           | -0.4%  |
| 33 | 416,621                    | 405,856                    | 10,765             | 2.7%   | NET OPER. INCOME (LOSS)     | 142,553       | 531,361       | (388,808)          | -73.2% |
| 34 | 24,809                     | 32,954                     | (8,145)            | -24.7% | INVESTMENT INCOME           | 34,418        | 98,862        | (64,444)           | -65.2% |
| 35 | 75,892                     | 16,492                     | 59,400             | 360.2% | OTHER REVENUE & EXPENSE     | 101,688       | 49,474        | 52,214             | 105.5% |
| 36 | 100,702                    | 49,446                     | 51,256             | 103.7% | TOTAL NON-OPER. INC(EXP)    | 136,105       | 148,336       | (12,231)           | -8.2%  |
| 37 | 517,323                    | 455,302                    | 62,021             | 13.6%  | NET INCOME (LOSS)           | 278,658       | 679,697       | (401,039)          | -59.0% |

FOOTNOTE (1):

CONSOLIDATION INCLUDES:

- MONTROSE MEMORIAL HOSPITAL
- COLUMBINE MANAGEMENT GROUP, LLC
  - OLATHE CLINIC
  - BASIN CLINIC

**MONTROSE MEMORIAL HOSPITAL  
CONSOLIDATED BALANCE SHEET  
AS OF MARCH 31, 2012**

|                                     | CURRENT PERIOD BALANCE | CURRENT PERIOD NET CHANGE | PRIOR PERIOD BALANCE |  | CURRENT PERIOD BALANCE | YEAR TO DATE NET CHANGE | PRIOR YEAR AUDITED ENDING BALANCE |
|-------------------------------------|------------------------|---------------------------|----------------------|--|------------------------|-------------------------|-----------------------------------|
| <b>ASSETS</b>                       |                        |                           |                      |  |                        |                         |                                   |
| 1                                   | 24,945,473             | 1,418,709                 | 23,526,763           | CASH AND CASH EQUIVALENTS                | 24,945,473             | (45,599)                | 24,991,072                        |
| 2                                   | 388,649                | 42,941                    | 345,708              | RESTRICTED CASH--BY DONORS               | 388,649                | 8,270                   | 380,379                           |
| 3                                   | 1,435,000              | 0                         | 1,435,000            | HELD BY TRUSTEE FOR DEBT SERVICE         | 1,435,000              | 0                       | 1,435,000                         |
| 4                                   | 26,769,121             | 1,461,650                 | 25,307,471           | TOTAL CASH                               | 26,769,121             | (37,329)                | 26,806,450                        |
| 5                                   | 19,208,234             | (446,008)                 | 19,654,242           | PATIENT RECEIVABLES                      | 19,208,234             | 681,199                 | 18,527,035                        |
| 6                                   | (9,680,237)            | 56,416                    | (9,736,653)          | LESS-ALLOW. FOR UNCOLLECTIBLE            | (9,680,237)            | (943,947)               | (8,736,290)                       |
| 7                                   | 9,527,997              | (389,591)                 | 9,917,589            | NET PATIENT RECEIVABLES                  | 9,527,997              | (262,748)               | 9,790,745                         |
| 8                                   | 0                      | 0                         | 0                    | AGENCY RECEIVABLES                       | 0                      | 0                       | 0                                 |
| 9                                   | 812,663                | 52,163                    | 760,500              | OTHER RECEIVABLES                        | 812,663                | (128,817)               | 941,481                           |
| 10                                  | 2,176,462              | 21,260                    | 2,155,202            | INVENTORIES                              | 2,176,462              | 27,429                  | 2,149,034                         |
| 11                                  | 922,477                | (6,670)                   | 929,148              | PREPAID EXPENSES                         | 922,477                | (185,987)               | 1,108,465                         |
| 12                                  | 40,208,721             | 1,138,811                 | 39,069,910           | CURRENT ASSETS                           | 40,208,721             | (587,453)               | 40,796,174                        |
| 13                                  | 150,000                | 0                         | 150,000              | BOARD DESIGNATED FUNDS                   | 150,000                | 0                       | 150,000                           |
| 14                                  | 4,567,508              | 285,114                   | 4,282,394            | HELD BY TRUSTEE FOR DEBT SERVICE         | 4,567,508              | 855,332                 | 3,712,176                         |
| 15                                  | 3,855,639              | (611,533)                 | 4,467,172            | HELD BY HOSPITAL FOR CAPITAL ACQUISITION | 3,855,639              | 1,108,363               | 2,747,276                         |
| 16                                  | 8,573,147              | (326,419)                 | 8,899,566            | BOARD DESIGNATED & RESTRICTED FUNDS      | 8,573,147              | 1,963,695               | 6,609,452                         |
| 17                                  | 1,435,000              | 0                         | 1,435,000            | LESS AMT REQUIRED FOR CURRENT OBLIGATION | 1,435,000              | 0                       | 1,435,000                         |
| 18                                  | 7,138,147              | (326,419)                 | 7,464,566            | NET NONCURRENT CASH & INVESTMENTS        | 7,138,147              | 1,963,695               | 5,174,452                         |
| 19                                  | 1,230,478              | 0                         | 1,230,478            | INVESTMENT IN EQUITY INVESTEE            | 1,230,478              | (0)                     | 1,230,478                         |
| 20                                  | 1,913,941              | 0                         | 1,913,941            | LAND AND IMPROVEMENTS                    | 1,913,941              | 0                       | 1,913,941                         |
| 21                                  | 53,263,957             | 86,631                    | 53,177,327           | BUILDINGS AND IMPROVEMENTS               | 53,263,957             | 140,165                 | 53,123,793                        |
| 22                                  | 39,085,404             | 165,254                   | 38,920,150           | EQUIPMENT                                | 39,085,404             | 1,023,005               | 38,062,399                        |
| 23                                  | 1,944,272              | 0                         | 1,944,272            | EQUIPMENT UNDER CAPITAL LEASES           | 1,944,272              | 0                       | 1,944,272                         |
| 24                                  | 805,835                | 139,740                   | 666,095              | CONSTRUCTION IN PROGRESS                 | 805,835                | 174,973                 | 630,863                           |
| 25                                  | 97,013,410             | 391,625                   | 96,621,785           | SUB-TOTAL PROPERTY, PLANT & EQUIPMENT    | 97,013,410             | 1,338,142               | 95,675,267                        |
| 26                                  | (52,198,044)           | (339,790)                 | (51,858,255)         | LESS: ACCUMULATED DEPRECIATION           | (52,198,044)           | (1,011,716)             | (51,186,328)                      |
| 27                                  | 44,815,365             | 51,835                    | 44,763,531           | NET PROPERTY, PLANT, & EQUIPMENT         | 44,815,365             | 326,426                 | 44,488,939                        |
| 28                                  | 454,807                | (4,098)                   | 458,905              | UNAMORTIZED LOAN COSTS                   | 454,807                | (12,295)                | 467,101                           |
| 29                                  | 93,847,518             | 860,129                   | 92,987,389           | <b>ASSETS</b>                            | 93,847,518             | 1,690,374               | 92,157,144                        |
| <b>LIABILITIES AND FUND BALANCE</b> |                        |                           |                      |  |                        |                         |                                   |
| 30                                  | 2,991,039              | (86,913)                  | 3,077,952            | ACCOUNTS PAYABLE                         | 2,991,039              | 384,101                 | 2,606,938                         |
| 31                                  | 739,306                | (2,796)                   | 742,102              | INSURANCE & PATIENT CREDITS PAYABLE      | 739,306                | (65,886)                | 805,192                           |
| 32                                  | 994,777                | 221,791                   | 772,986              | SALARIES PAYABLE                         | 994,777                | 501,824                 | 492,953                           |
| 33                                  | 746,118                | (24,907)                  | 771,025              | PAYROLL TAXES & DEDUCTIONS               | 746,118                | (51,946)                | 798,064                           |
| 34                                  | 1,289,450              | 29,978                    | 1,259,473            | ACCRUED EMPLOYEE BENEFITS                | 1,289,450              | 69,792                  | 1,219,658                         |
| 35                                  | 662,844                | 165,464                   | 497,380              | ACCRUED INTEREST PAYABLE                 | 662,844                | 496,540                 | 166,304                           |
| 36                                  | 1,664,534              | 13,895                    | 1,650,639            | DUE TO 3RD PARTY PAYERS                  | 1,664,534              | 118,346                 | 1,546,189                         |
| 37                                  | 1,634,130              | 0                         | 1,634,130            | CURRENT PORTION OF LONG-TERM DEBT        | 1,634,130              | 0                       | 1,634,130                         |
| 38                                  | 10,722,199             | 316,510                   | 10,405,689           | CURRENT LIABILITIES                      | 10,722,199             | 1,452,770               | 9,269,429                         |
| 39                                  | 32,066,098             | 945                       | 32,065,153           | BONDS PAYABLE                            | 32,066,098             | 2,835                   | 32,063,263                        |
| 40                                  | 168,380                | (17,590)                  | 185,970              | OTHER LONG-TERM DEBT                     | 168,380                | (52,160)                | 220,540                           |
| 41                                  | 32,234,478             | (16,645)                  | 32,251,123           | LONG-TERM DEBT                           | 32,234,478             | (49,325)                | 32,283,803                        |
| 42                                  | 42,956,677             | 299,865                   | 42,656,812           | LIABILITIES                              | 42,956,677             | 1,403,445               | 41,553,232                        |
| 43                                  | 15,180,761             | 47,125                    | 15,133,636           | INVESTED IN CAPITAL ASSETS NET OF DEBT   | 15,180,761             | 312,296                 | 14,868,465                        |
| 44                                  | 3,807,754              | 304,977                   | 3,502,778            | RESTRICTED - EXPENDABLE                  | 3,807,754              | 794,368                 | 3,013,386                         |
| 45                                  | 5,000                  | 0                         | 5,000                | RESTRICTED - NONEXPENDABLE               | 5,000                  | 0                       | 5,000                             |
| 46                                  | 31,897,325             | 208,162                   | 31,689,163           | UNRESTRICTED                             | 31,897,325             | (819,736)               | 32,717,061                        |
| 47                                  | 50,890,841             | 560,264                   | 50,330,577           | NET ASSETS                               | 50,890,841             | 286,928                 | 50,603,912                        |
| 48                                  | 93,847,518             | 860,129                   | 92,987,389           | <b>LIABILITIES AND NET ASSETS</b>        | 93,847,518             | 1,690,374               | 92,157,144                        |