

Unaudited.

KOSCIUSKO COMM HOSP - WARSAW, IN 1556
BALANCE SHEET : B-77
AT
DECEMBER 31, 2015

DATE: 5/16/16
TIME: 16:01:43

| | THIS YEAR | LAST YEAR |
|--|----------------------|----------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ (41,830) | \$ (247,306) |
| Patient accounts receivable | 25,433,270 | 33,006,332 |
| Less: Allowance for bad debts | (6,610,722) | (14,260,176) |
| Prior yr cst rpt settlemt a/r | 350,991 | 112,204 |
| Supplies | 1,816,752 | 1,769,927 |
| Prepaid expenses | 567,317 | 810,209 |
| Other current assets | 115,044 | (99,784) |
| Total Current Assets | <u>21,630,822</u> | <u>21,091,406</u> |
| Property & Equipment, at cost: | | |
| Land and improvements | 3,487,432 | 3,461,563 |
| Buildings and improvements | 39,804,420 | 39,209,685 |
| Equipment and fixtures | 25,656,384 | 25,390,787 |
| | <u>68,948,236</u> | <u>68,062,035</u> |
| Less accumulated depreciation and amortization | (30,040,871) | (26,277,228) |
| Net Property and Equipment | <u>38,907,365</u> | <u>41,784,807</u> |
| Other Assets: | | |
| Physician recruitment costs | 788,000 | 00 |
| Deferred MIS charges | 1,062,023 | 1,477,591 |
| Other deferred charges | 541,232 | 610,488 |
| Total Other Assets | <u>2,391,255</u> | <u>2,088,079</u> |
| Total Assets | <u>\$ 62,929,442</u> | <u>\$ 64,964,292</u> |

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 BALANCE SHEET : B-77
 AT
 DECEMBER 31, 2015

DATE: 5/16/16
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| | THIS YEAR | LAST YEAR |
|--|-----------------------------|-----------------------------|
| LIABILITIES | | |
| Current Liabilities: | | |
| Current maturities of long-term debt | 33,340 | 00 |
| Accounts payable | 2,585,665 | 3,344,496 |
| Accrued liabilities: | | |
| Employee compensation | 2,511,995 | 3,559,205 |
| Other accrued liabilities | 1,652,614 | 1,440,786 |
| Total Current Liabilities | 6,783,614 | 8,344,487 |
| Long-term Debt | 166,660 | 00 |
| Deferred Credits and Other Long-term Liabilities | 219,212 | 303,831 |
| Intercompany Accounts | (298,827,669) | (254,062,198) |
| Minority Interest | 1,909,968 | 1,908,697 |
| Total Liabilities | \$ (289,748,215) | \$ (243,505,183) |
| Stockholders' Equity | | |
| Additional paid-in capital | 11,061 | 11,061 |
| Retained earnings-prior year | 308,458,414 | 259,781,430 |
| Retained earnings-curr year | 44,208,182 | 48,676,984 |
| Total Stockholders' Equity | 352,677,657 | 308,469,475 |
| Total Liabilities and Equity | \$ 62,929,442 | \$ 64,964,292 |

Unaudited

KOSCIUSKO COMM HOSP - WARSAW, IN 1556
 INCOME STATEMENT: I-57
 FOR 12TH MONTH ENDED
 DECEMBER 31, 2015

DATE: 5/16/16
 TIME: 16:03:28

| | -----CURRENT PERIOD----- | | | -----YEAR-TO-DATE----- | | |
|-------------------------------|--------------------------|--------------|-------------|------------------------|---------------|----------------|
| | THIS YEAR | LAST YEAR | INCR/(DECR) | THIS YEAR | LAST YEAR | INCR/(DECR) |
| Patient Revenue: | | | | | | |
| Inpatient Routine | \$ 2,946,872 | \$ 3,036,644 | \$ (89,772) | \$ 32,839,712 | \$ 31,600,555 | \$ 1,239,157 |
| Inpatient Ancillary | 12,192,369 | 9,678,638 | 2,513,731 | 125,177,117 | 111,249,479 | 13,927,638 |
| Outpatient | 31,143,011 | 28,668,812 | 2,474,199 | 332,907,771 | 318,362,373 | 14,545,398 |
| Total Patient Revenue | 46,282,252 | 41,384,094 | 4,898,158 | 490,924,600 | 461,212,407 | 29,712,193 |
| Deductions From Revenue: | | | | | | |
| I/P - M/M Contractual | 6,446,163 | 5,010,043 | 1,436,120 | 68,230,032 | 57,082,283 | 11,147,749 |
| O/P - M/M Contractual | 9,858,973 | 7,587,177 | 2,271,796 | 103,428,959 | 84,448,762 | 18,980,197 |
| Other Contractual Adj. | 18,646,508 | 16,333,163 | 2,313,345 | 191,078,546 | 181,693,418 | 9,385,128 |
| Prior Year Adjustments | (120,249) | (53,909) | (66,340) | (120,249) | (53,909) | (66,340) |
| Courtesy Discounts | 199,722 | 130,819 | 68,903 | 2,340,062 | 947,345 | 1,392,717 |
| Total Deductions From Revenue | 35,031,117 | 29,007,293 | 6,023,824 | 364,957,350 | 324,117,899 | 40,839,451 |
| Net Pt Rev Before Bad Dbt | 11,251,135 | 12,376,801 | (1,125,666) | 125,967,250 | 137,094,508 | (11,127,258) |
| Provision for Bad Dbt | 549,169 | 1,666,707 | (1,117,538) | 16,970,998 | 21,484,196 | (4,513,198) |
| Net Pt Rev After Bad Dbt | 10,701,966 | 10,710,094 | (8,128) | 108,996,252 | 115,610,312 | (6,614,060) |
| Other Revenue | 32,545 | 32,155 | 390 | 455,021 | 571,428 | (116,407) |
| Net Revenue | 10,734,511 | 10,742,249 | (7,738) | 109,451,273 | 116,181,740 | (6,730,467) |
| Operating Expenses: | | | | | | |
| Salaries & Wages | 1,873,029 | 2,115,756 | (242,727) | 22,774,639 | 23,427,944 | (653,305) |
| Benefits | 71,330 | (133,742) | 205,072 | 4,814,146 | 5,053,965 | (239,819) |
| Supplies | 1,173,597 | 1,208,281 | (34,684) | 11,743,707 | 12,452,065 | (708,358) |
| Medical Spec Fees | 263,007 | 146,814 | 116,193 | 2,650,582 | 2,726,013 | (75,431) |
| Purchased Services | 673,206 | 1,156,301 | (483,095) | 8,074,055 | 7,607,289 | 466,766 |
| Repairs & Maintenance | 143,579 | 250,692 | (107,113) | 2,538,555 | 2,645,699 | (107,144) |
| Marketing | 11,639 | 71,541 | (59,902) | 684,114 | 470,983 | 213,131 |
| Utilities | 78,219 | 92,988 | (14,769) | 1,083,881 | 1,095,812 | (12,031) |
| Other Operating Exp | 90,091 | 131,222 | (41,131) | 996,846 | 1,082,172 | (85,326) |
| Prop Taxes & Ins | 39,444 | (32,301) | 71,745 | 3,939,904 | 5,309,144 | (1,369,240) |
| HITECH Incentives | 00 | 00 | 00 | (740,758) | (1,150,499) | 409,741 |
| Total Operating Expenses | 4,417,141 | 5,007,552 | (590,411) | 58,559,671 | 60,720,687 | (2,161,016) |
| Operating Margin | 6,317,370 | 5,734,697 | 582,673 | 50,891,602 | 55,461,053 | (4,569,451) |
| Non-Operating Exp: | | | | | | |
| Rent | 114,320 | 106,606 | 7,714 | 1,310,931 | 1,165,130 | 145,801 |
| E.B.I.T.D.A. | 6,203,050 | 5,628,091 | 574,959 | 49,580,671 | 54,295,923 | (4,715,252) |
| Depreciation and Amortization | 438,250 | 424,619 | 13,631 | 4,936,504 | 5,114,751 | (178,247) |
| E.B.I.T. | 5,764,800 | 5,203,472 | 561,328 | 44,644,167 | 49,181,172 | (4,537,005) |
| Interest | 3,710 | 3,709 | 01 | 45,171 | 44,116 | 1,055 |
| Minority Interest | 51,778 | 50,870 | 908 | 404,015 | 455,817 | (51,802) |
| Pre-Tax Profit | \$ 5,709,312 | \$ 5,148,893 | \$ 560,419 | \$ 44,194,981 | \$ 48,681,239 | \$ (4,486,258) |
| Corp Mgmt Fees | 11,592 | (62,019) | 73,611 | (13,198) | 4,258 | (17,456) |