

Deborah Heart and Lung Center

BALANCE SHEETS

As of March 31, 2018 and 2017

ASSETS	2018	2017
Current assets		
Cash and cash equivalents	\$ 21,402,531	\$ 21,366,242
Assets limited as to use	1,405,114	467,037
Patient accounts receivable	25,753,710	20,507,967
Due from Deborah Hospital Foundation	4,491,897	4,958,006
Supplies	4,774,381	4,495,604
Prepaid expenses and other current assets	<u>3,441,622</u>	<u>3,116,360</u>
Total current assets	61,269,255	54,911,216
Assets limited as to use:		
By Board for designated purposes	9,346,411	7,777,287
Self-insurance fund - held by trustee	3,817,063	3,674,602
Under bond indenture - held by trustee	<u>-</u>	<u>-</u>
	13,163,474	11,451,889
Property, plant, and equipment, net	36,307,477	33,048,435
Other assets	777,450	1,214,294
Beneficial interest in perpetual trust	2,003,395	1,865,037
Beneficial interest in restricted net assets of Deborah Hospital Foundation	<u>5,896,049</u>	<u>5,900,327</u>
Total assets	<u>\$ 119,417,100</u>	<u>\$ 108,391,198</u>
 LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 25,532,705	\$ 18,049,165
Accrued compensation and employee benefits	9,927,250	10,606,844
Estimated settlements due to third-party payors, net	3,878,939	4,400,545
Accrued interest payable	187,198	204,781
Current maturities of long-term debt	5,228,103	2,909,483
Line of credit	<u>1,000,000</u>	<u>1,000,000</u>
Total current liabilities	45,754,195	37,170,818
Accrued retirement benefits	3,355,264	1,471,540
Estimated malpractice claims liability	3,040,864	2,169,784
Other liabilities	440,635	921,328
Long-term debt, less current maturities	<u>20,738,732</u>	<u>22,878,897</u>
Total liabilities	73,329,690	64,612,367
Net assets		
Unrestricted	37,531,593	35,081,593
Temporarily restricted	<u>8,555,817</u>	<u>8,697,238</u>
Total net assets	<u>46,087,410</u>	<u>43,778,831</u>
Total liabilities and net assets	<u>\$ 119,417,100</u>	<u>\$ 108,391,198</u>

Deborah Heart and Lung Center

STATEMENTS OF OPERATIONS

For The Periods Ended March 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Unrestricted net assets		
Revenue		
Net patient service revenue	\$ 42,399,693	\$ 43,932,633
Other revenue, gains and losses	<u>1,539,578</u>	<u>2,023,739</u>
Total revenue	43,939,271	45,956,372
Expenses		
Salary and wages	19,562,865	19,029,365
Employee benefits	5,429,733	4,922,624
Supplies and other expenses	18,577,352	19,074,952
Interest	290,119	248,942
Depreciation and amortization	<u>1,513,263</u>	<u>1,516,319</u>
Total expenses	<u>45,373,332</u>	<u>44,792,202</u>
Gain from operations	(1,434,061)	1,164,170
Nonoperating gains		
Contributions from Deborah Hospital Foundation	<u>1,125,000</u>	<u>1,462,500</u>
Excess of revenue and gains over expenses	<u>\$ (309,061)</u>	<u>\$ 2,626,670</u>

Deborah Heart and Lung Center

STATEMENTS OF CHANGES IN NET ASSETS

For The Period Ended March 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Unrestricted net assets		
Excess of revenue and gains over expenses	\$ (309,061)	\$ 2,626,670
Other changes in unrestricted net assets		
Net assets released from restriction for property, plant and equipment	<u>-</u>	<u>-</u>
Change in unrestricted net assets	(309,061)	2,626,670
Temporarily restricted net assets		
Contributions	94,649	355,357
Net assets released from restriction	<u>-</u>	<u>-</u>
Change in temporarily restricted net assets	94,649	355,357
Change in net assets	(214,412)	2,982,027
Net assets, beginning of year	<u>46,301,822</u>	<u>40,796,804</u>
Net assets, end of year	<u>\$ 46,087,410</u>	<u>\$ 43,778,831</u>

Deborah Heart and Lung Center

STATEMENTS OF CASH FLOWS

For The Period Ended March 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities		
Excess of revenue and gains over expenses	\$ (309,061)	\$ 2,626,670
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Unrealized gain on disposal of PP&E		
Net realized and unrealized losses (gains) on investments	16,720	(175,844)
Depreciation and amortization	1,528,324	1,516,216
Lease income	(80,573)	(80,573)
Contributions for property, plant and equipment	94,649	355,357
Changes in certain assets and liabilities:		
Patient accounts receivable	(5,705,946)	(2,443,890)
Due from Deborah Hospital Foundation	171,497	(917,891)
Prepaid expenses and other assets	(102,057)	415,417
Supplies	(514,258)	44,539
Accounts payable and accrued expenses	5,909,037	4,005,874
Accrued compensation and employee benefits	(1,229,815)	(549,809)
Accrued retirement benefits	-	-
Accrued interest payable	(191,135)	9,677
Estimated malpractice claims liability	-	-
Estimated settlements due to third-party payors	-	61,572
	<u>-</u>	<u>61,572</u>
Net cash provided by operating activities	\$ (412,618)	\$ 4,867,315
Cash flows from investing activities		
Proceeds from sale of fixed assets	-	-
Additions to property, plant, and equipment, net	(1,813,074)	(3,552,704)
Change in assets limited as to use	(462,857)	(279,903)
	<u>(462,857)</u>	<u>(279,903)</u>
Net cash used in investing activities	\$ (2,275,931)	\$ (3,832,607)
Cash flows from financing activities		
Deferred financing costs	(22,508)	(34,430)
Change in Capital Lease	(265,897)	(213,802)
Payments on long-term debt	-	-
Proceeds from new debt	-	-
	<u>-</u>	<u>-</u>
Net cash used in financing activities	(288,405)	(248,232)
(Decrease) increase in cash and cash equivalents	(2,976,954)	786,476
Cash and cash equivalents, beginning of year	<u>24,379,485</u>	<u>20,579,766</u>
Cash and cash equivalents, end of year	<u>\$ 21,402,531</u>	<u>\$ 21,366,242</u>