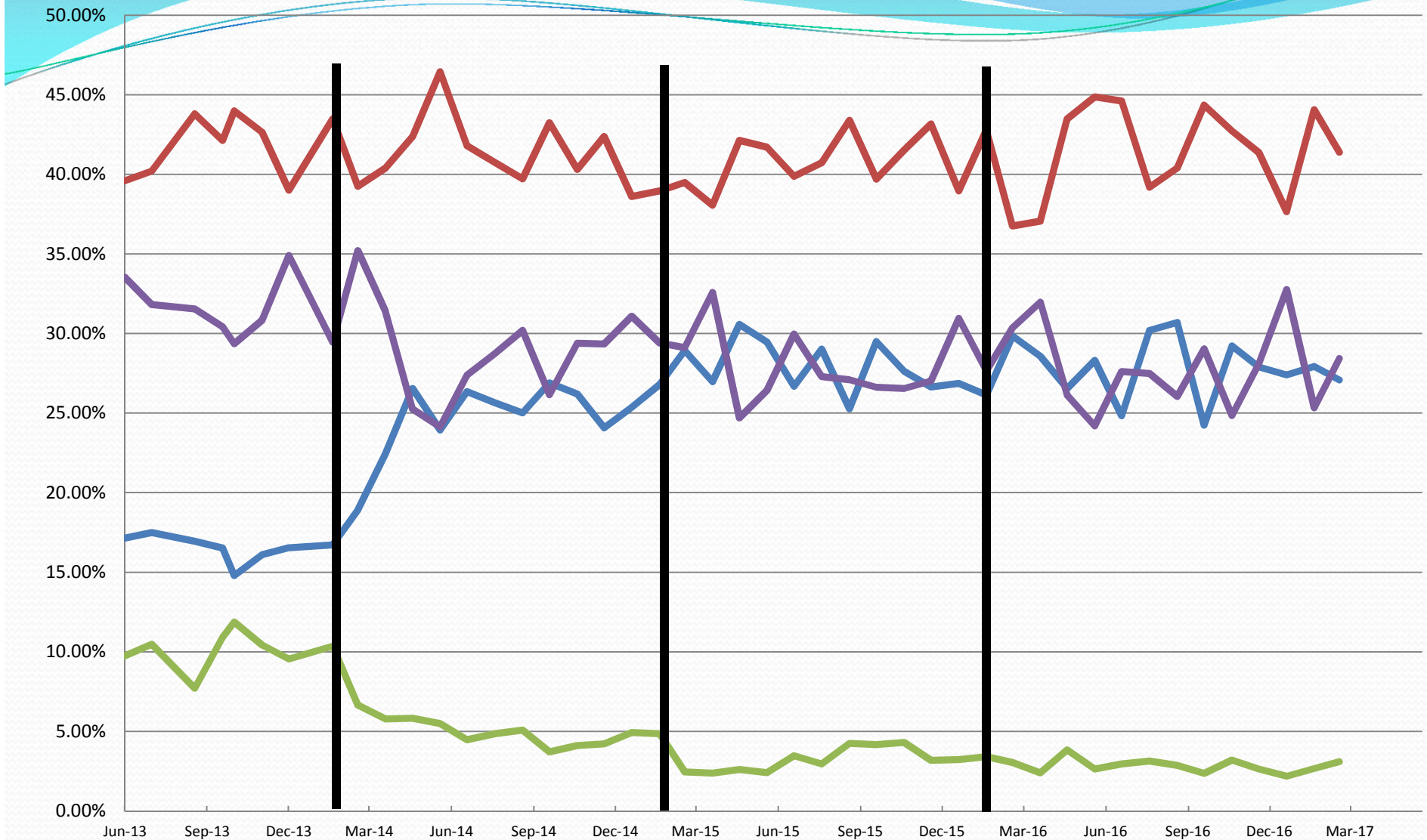


Taos Health System

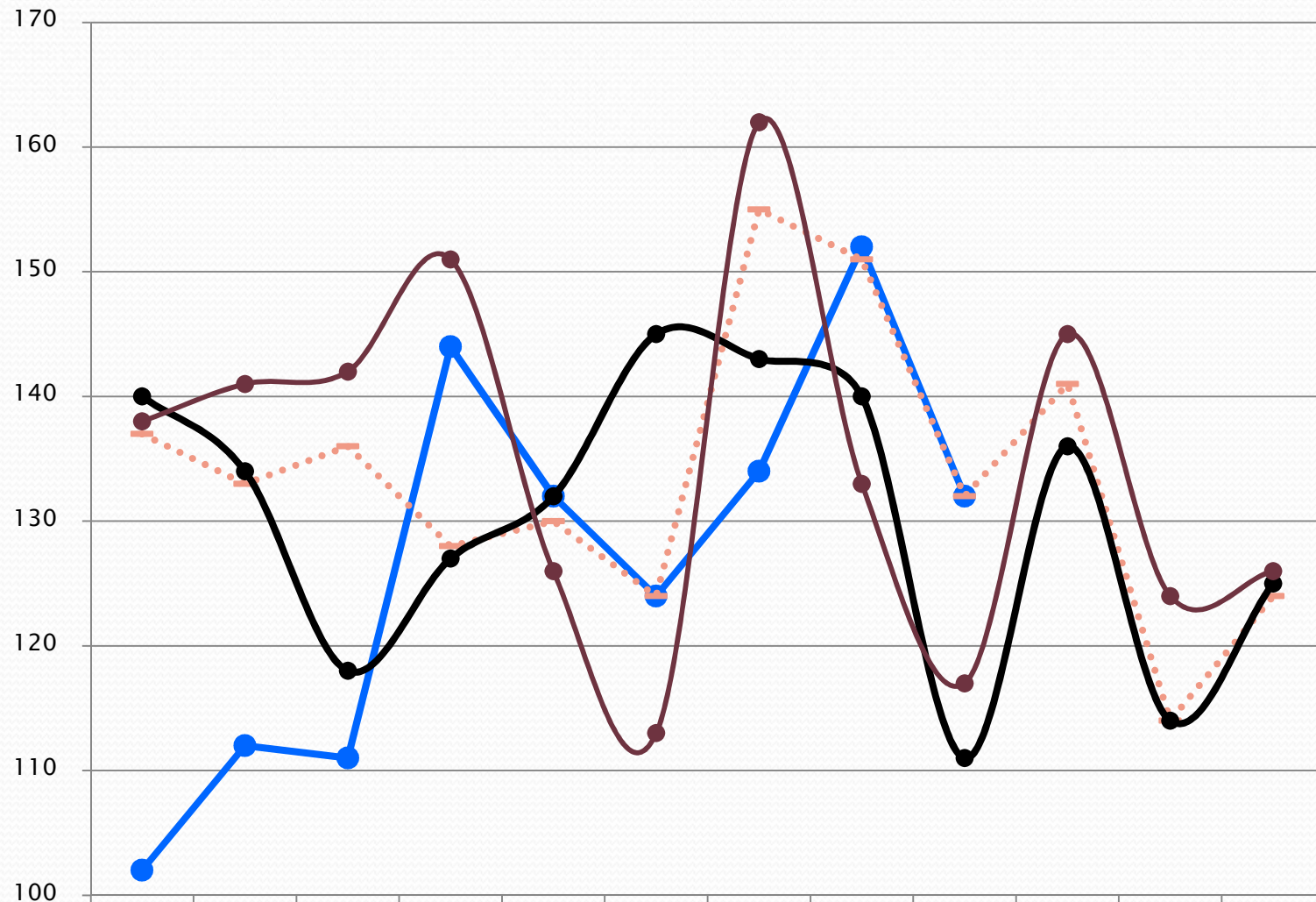
Monthly Financial Review

Payer Mix



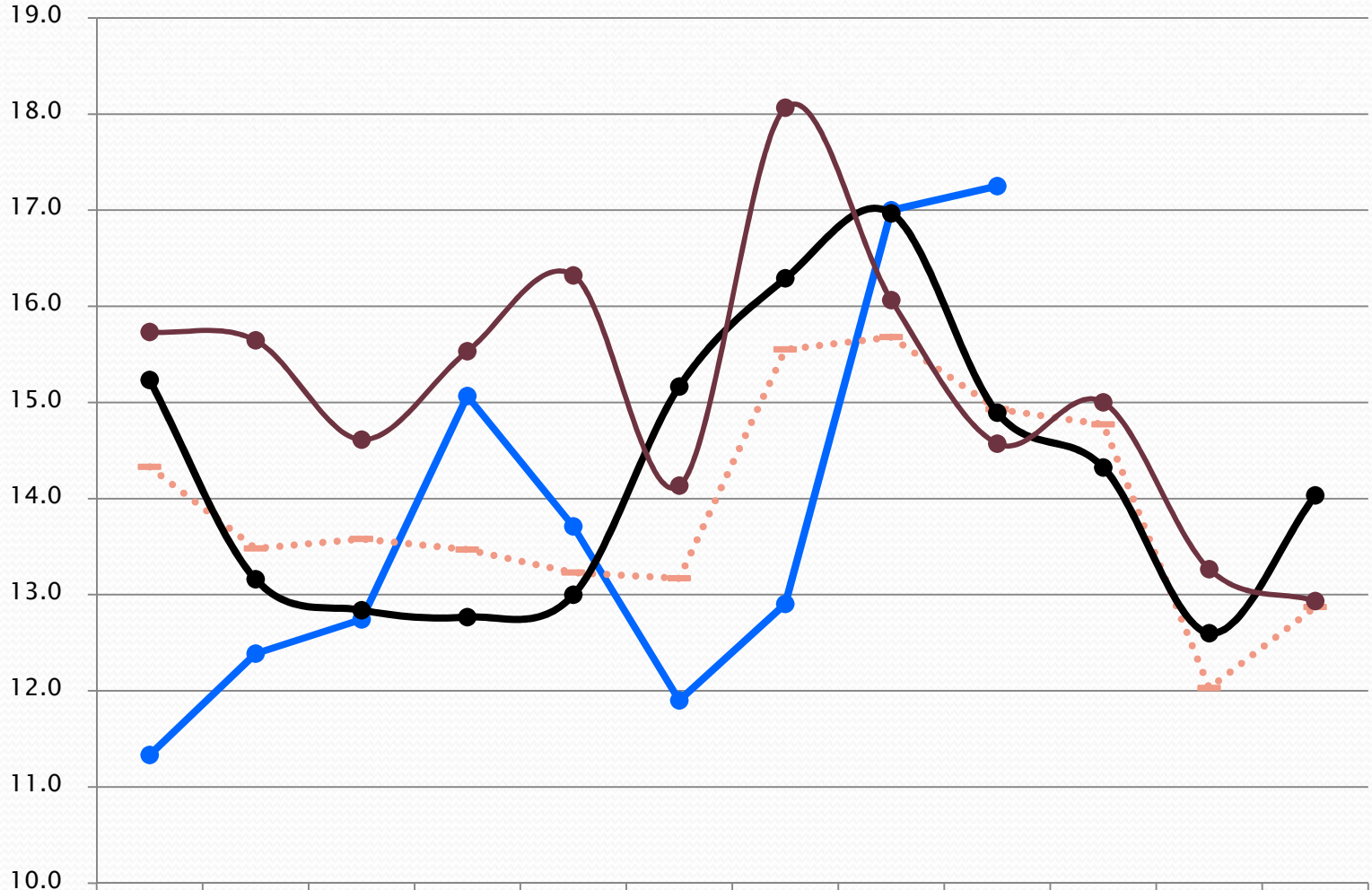
	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17
Medicaid	17.14	17.48	16.94	16.52	14.79	16.09	16.54	16.72	18.90	22.43	26.55	23.93	26.35	25.65	25.01	26.90	26.20	24.07	25.37	26.79	28.94	26.98	30.57	29.46	26.69	29.03	25.27	29.50	27.62	26.63	26.86	26.14	29.84	28.57	26.55	28.31	24.83	30.19	30.70	24.24	29.22	27.90	27.40	27.93	27.08
Medicare	39.59	40.21	43.81	42.14	43.99	42.65	39.00	43.49	39.24	40.39	42.37	46.44	41.80	40.75	39.72	43.24	40.31	42.37	38.61	38.96	39.50	38.07	42.14	41.70	39.87	40.73	43.40	39.71	41.52	43.17	38.96	42.79	36.76	37.06	43.49	44.87	44.61	39.19	40.41	44.36	42.74	41.38	37.66	44.07	41.40
SP	9.74	10.48	7.71	10.92	11.86	10.43	9.55	10.34	6.64	5.78	5.83	5.49	4.47	4.86	5.07	3.71	4.10	4.21	4.92	4.85	2.44	2.38	2.60	2.40	3.47	2.95	4.24	4.17	4.31	3.17	3.23	3.41	3.04	2.39	3.84	2.63	2.95	3.13	2.86	2.36	3.20	2.63	2.18	2.67	3.10
Other	33.53	31.82	31.54	30.43	29.36	30.83	34.91	29.45	35.21	31.39	25.26	24.13	27.38	28.74	30.19	26.16	29.39	29.34	31.10	29.40	29.12	32.57	24.69	26.43	29.97	27.30	27.09	26.62	26.55	27.02	30.95	27.66	30.35	31.98	26.12	24.19	27.61	27.49	26.04	29.05	24.85	28.09	32.76	25.33	28.43

Holy Cross Hospital Inpatient Admissions



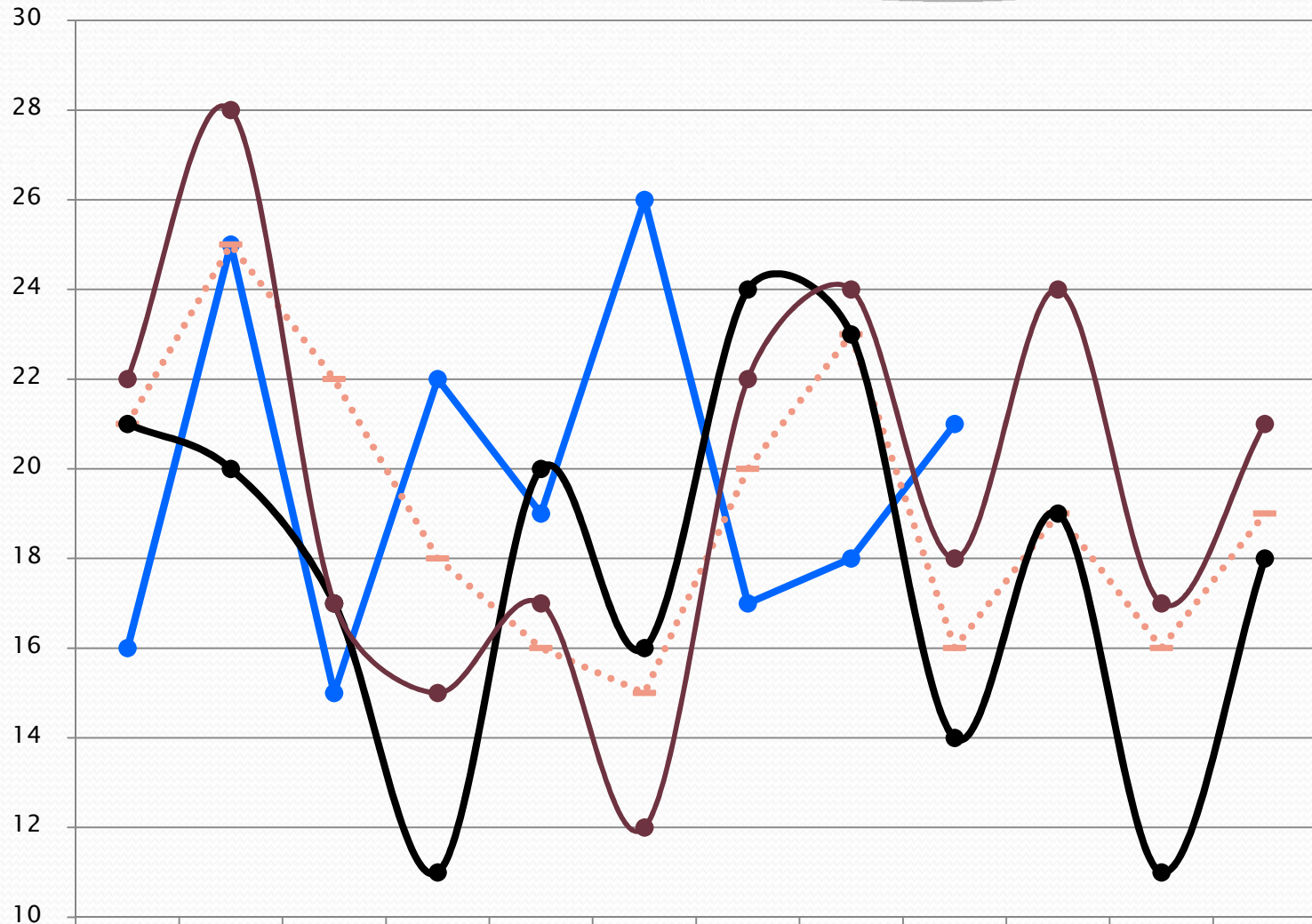
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
2017 Actual	102	112	111	144	132	124	134	152	132			
Budget	137	133	136	128	130	124	155	151	132	141	114	124
2016 Actual	140	134	118	127	132	145	143	140	111	136	114	125
2015 Actual	138	141	142	151	126	112	162	133	117	145	124	126

Holy Cross Hospital Average Daily Census (ADC)



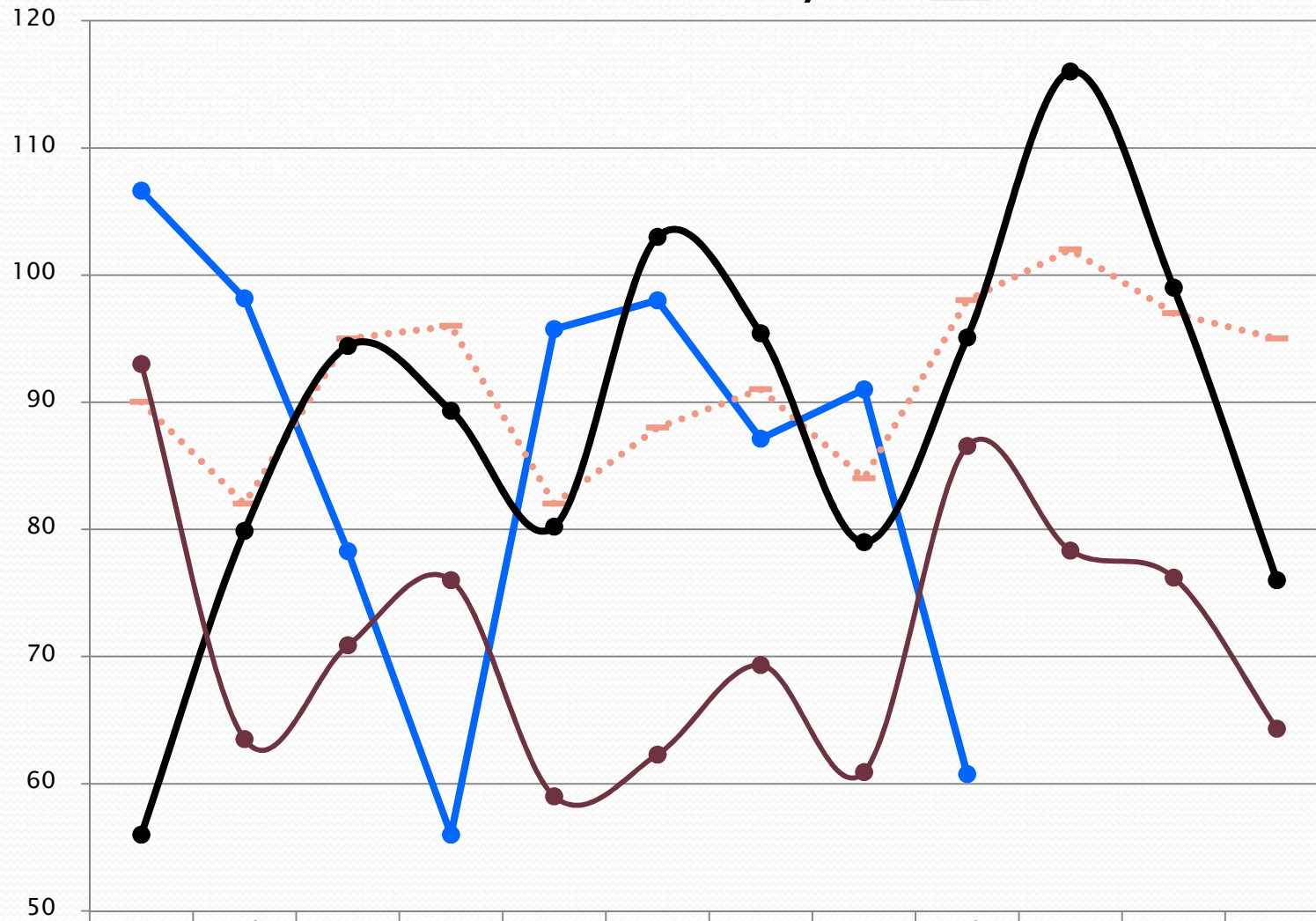
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
2017 Actual	11.3	12.4	12.7	15.1	13.7	11.9	12.9	17.0	17.3			
Budget	14.3	13.5	13.6	13.5	13.2	13.2	15.6	15.7	14.9	14.8	12.0	12.9
2016 Actual	15.2	13.2	12.8	12.8	13.0	15.2	16.3	17.0	14.9	14.3	12.6	14.0
2015 Actual	15.7	15.6	14.6	15.5	16.3	14.1	18.1	16.1	14.6	15.0	13.3	12.9

Holy Cross Hospital Newborns



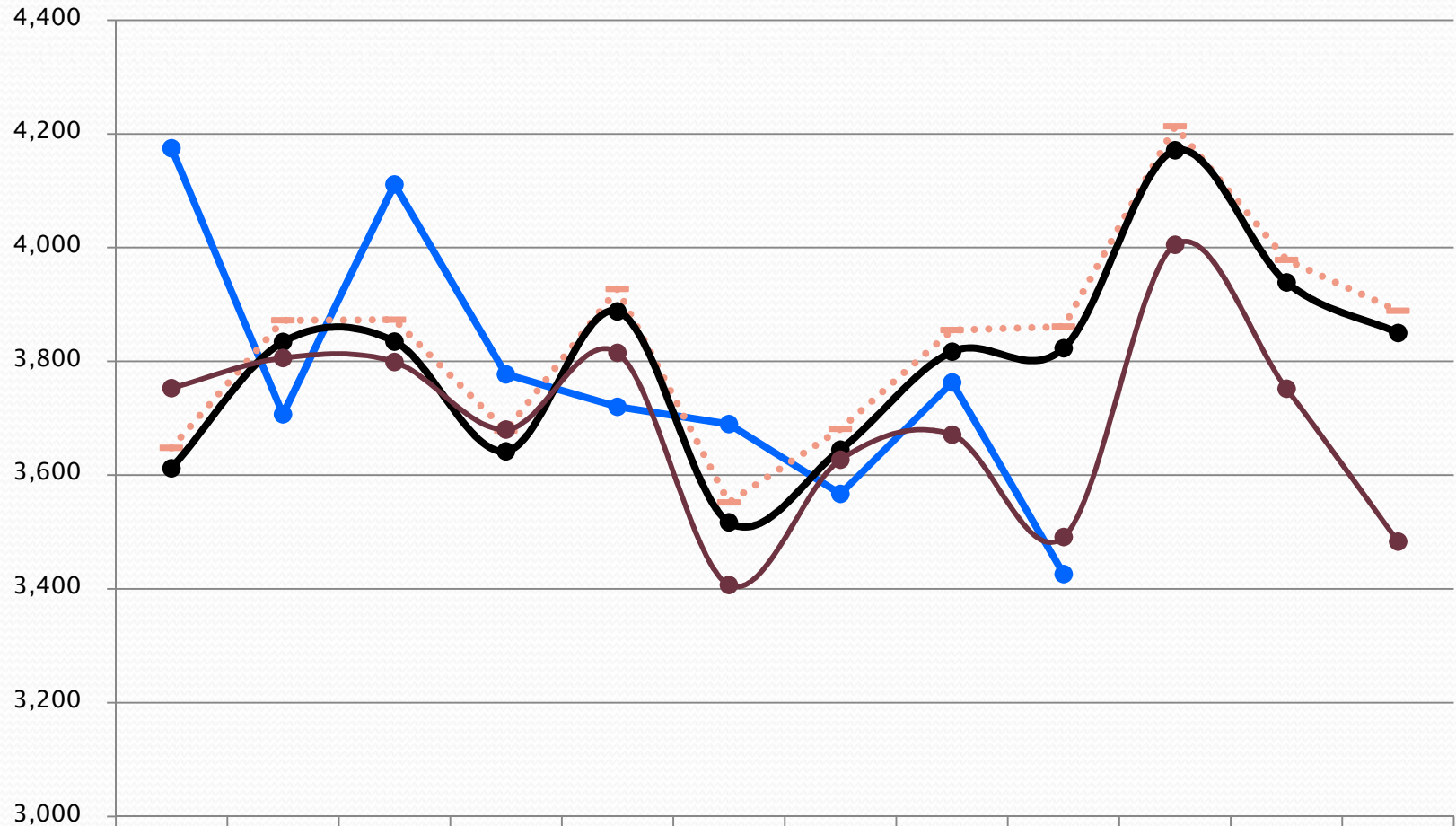
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
2017 Actual	16	25	15	22	19	26	17	18	21			
Budget	21	25	22	18	16	15	20	23	16	19	16	19
2016 Actual	21	20	17	11	20	16	24	23	14	19	11	18
2015 Actual	22	28	17	15	17	12	22	24	18	24	17	21

Holy Cross Hospital Observation Days



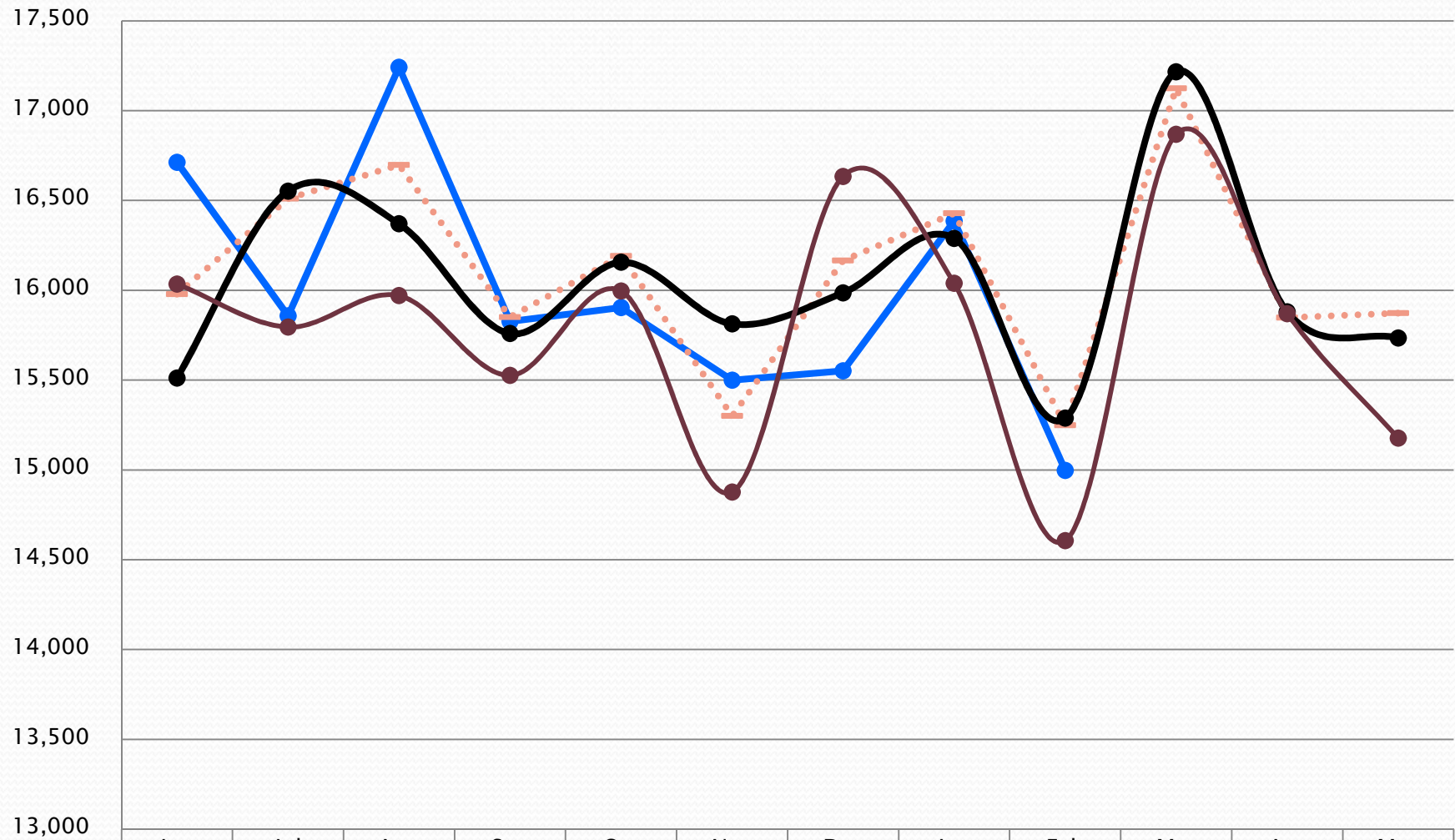
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
2017 Actual	107	98	78	56	96	98	87	91	61			
Budget	90	82	95	96	82	88	91	84	98	102	97	95
2016 Actual	56	80	94	89	80	103	95	79	95	116	99	76
2015 Actual	93	64	71	76	59	62	69	61	87	78	76	64

Holy Cross Hospital Outpatient Visits



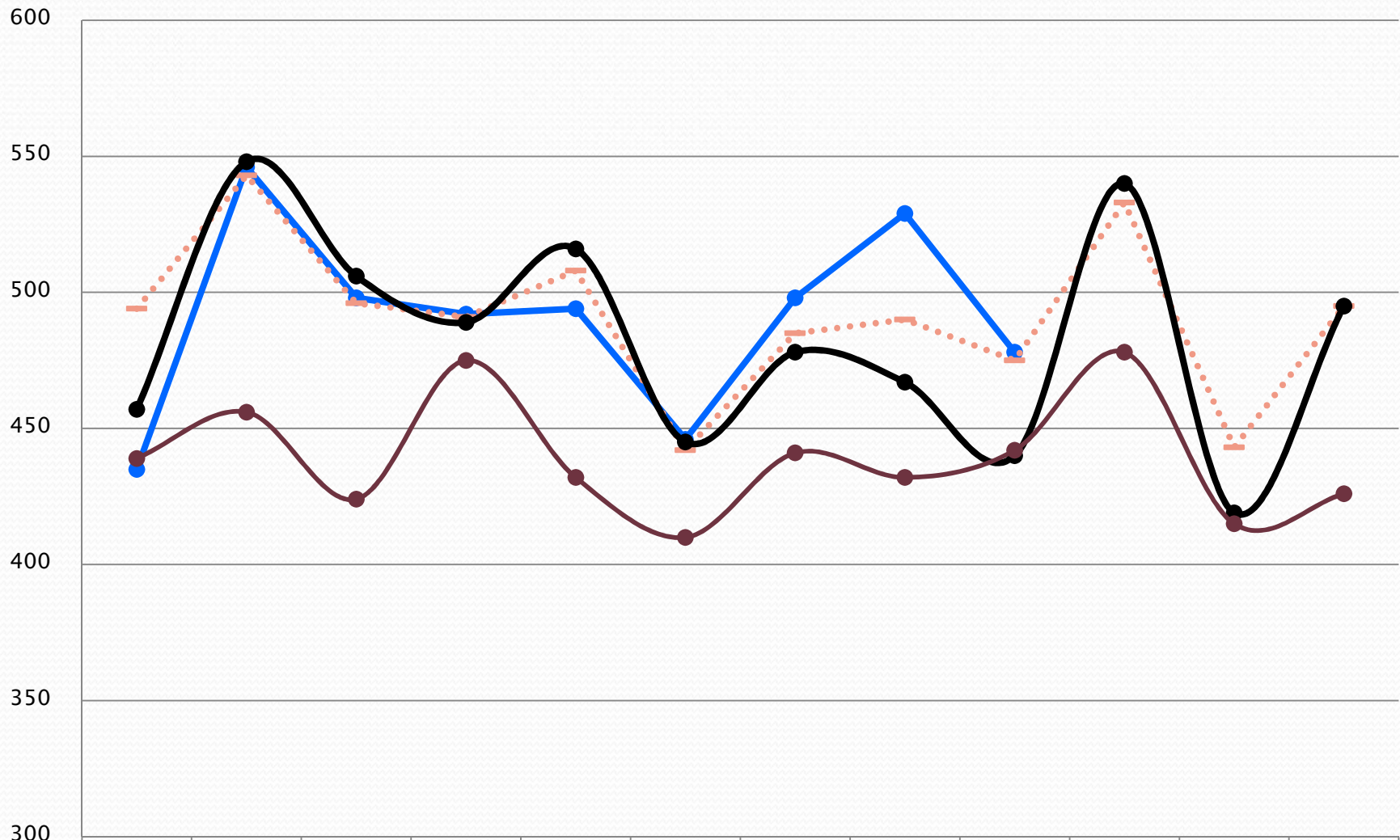
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
●— 2017 Actual	4,175	3,707	4,111	3,777	3,720	3,690	3,567	3,763	3,426			
●— Budget	3,648	3,872	3,873	3,678	3,927	3,552	3,681	3,855	3,861	4,213	3,978	3,889
●— 2016 Actual	3,612	3,834	3,835	3,642	3,888	3,517	3,645	3,817	3,823	4,171	3,939	3,850
●— 2015 Actual	3,753	3,806	3,799	3,680	3,815	3,407	3,627	3,671	3,491	4,005	3,752	3,483

Holy Cross Hospital Lab Total



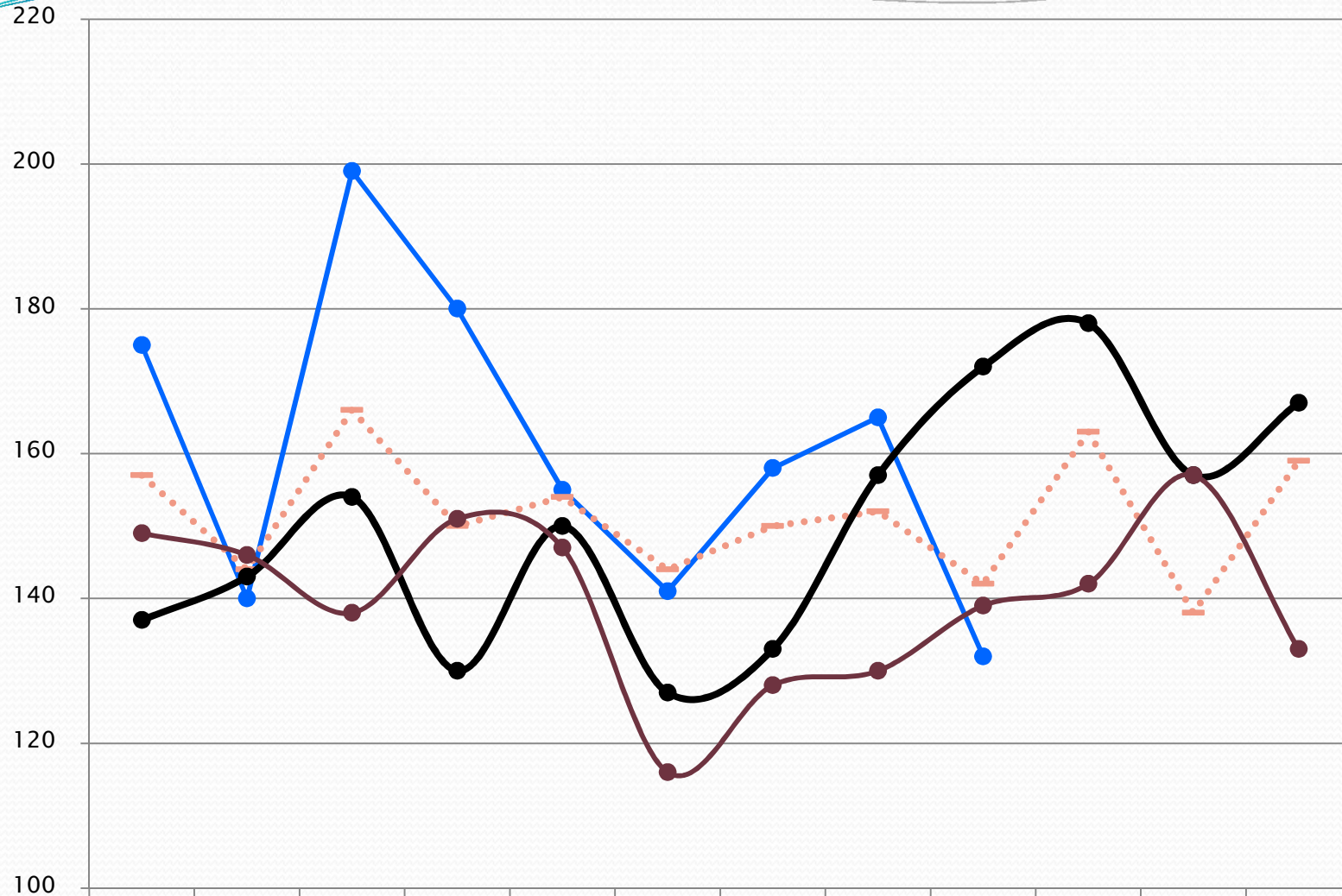
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
●— 2017 Actual	16,713	15,858	17,241	15,827	15,904	15,500	15,551	16,385	14,997			
●... Budget	15,978	16,511	16,697	15,850	16,191	15,301	16,166	16,428	15,248	17,124	15,848	15,872
●— 2016 Actual	15,512	16,552	16,370	15,759	16,156	15,813	15,986	16,289	15,288	17,216	15,880	15,735
●— 2015 Actual	16,035	15,795	15,970	15,526	15,996	14,877	16,634	16,039	14,606	16,869	15,869	15,177

Holy Cross Hospital Total CT Scans



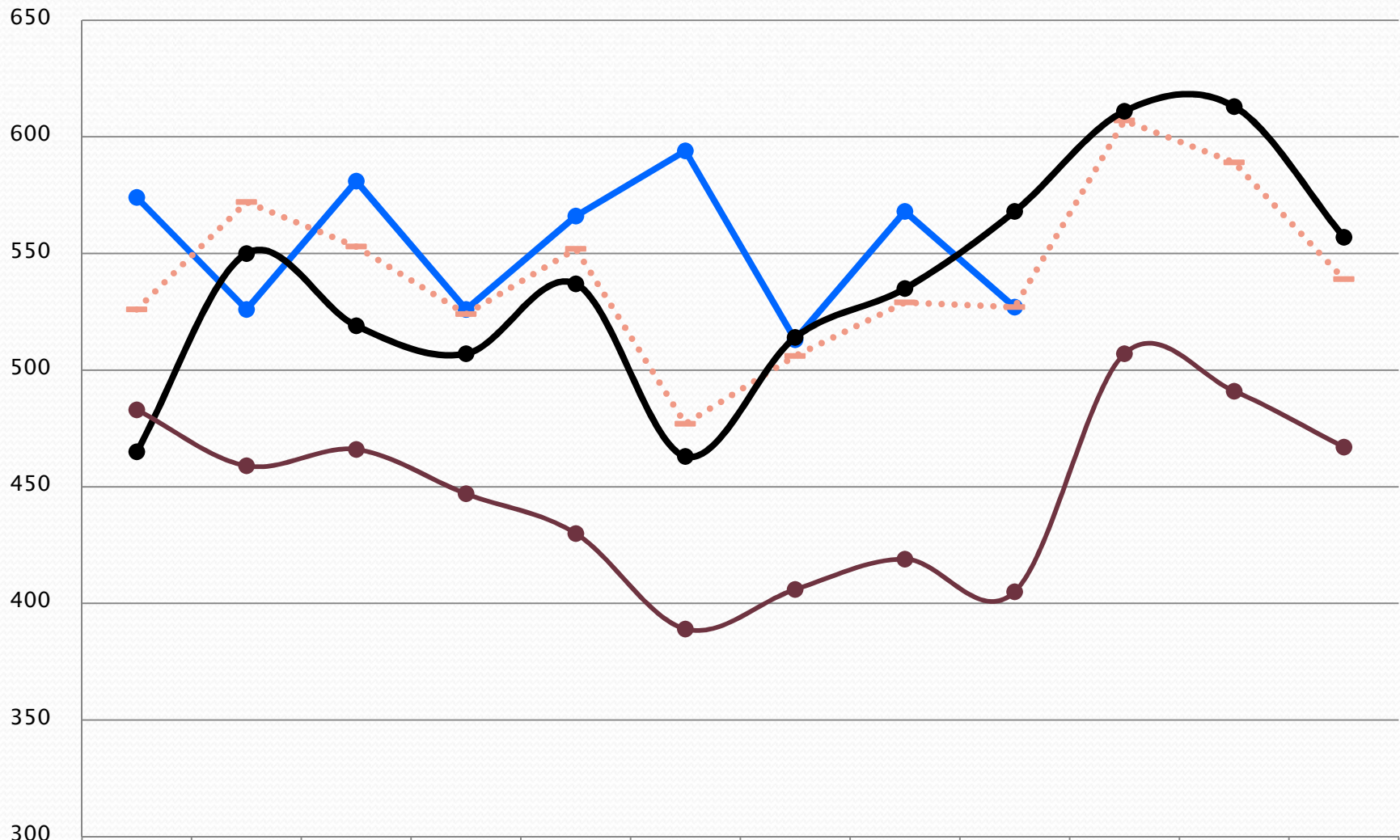
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
2017 Actual	435	546	498	492	494	446	498	529	478			
Budget	494	543	496	491	508	442	485	490	475	533	443	495
2016 Actual	457	548	506	489	516	445	478	467	440	540	419	495
2015 Actual	439	456	424	475	432	410	441	432	442	478	415	426

Holy Cross Hospital Total MRI Scans



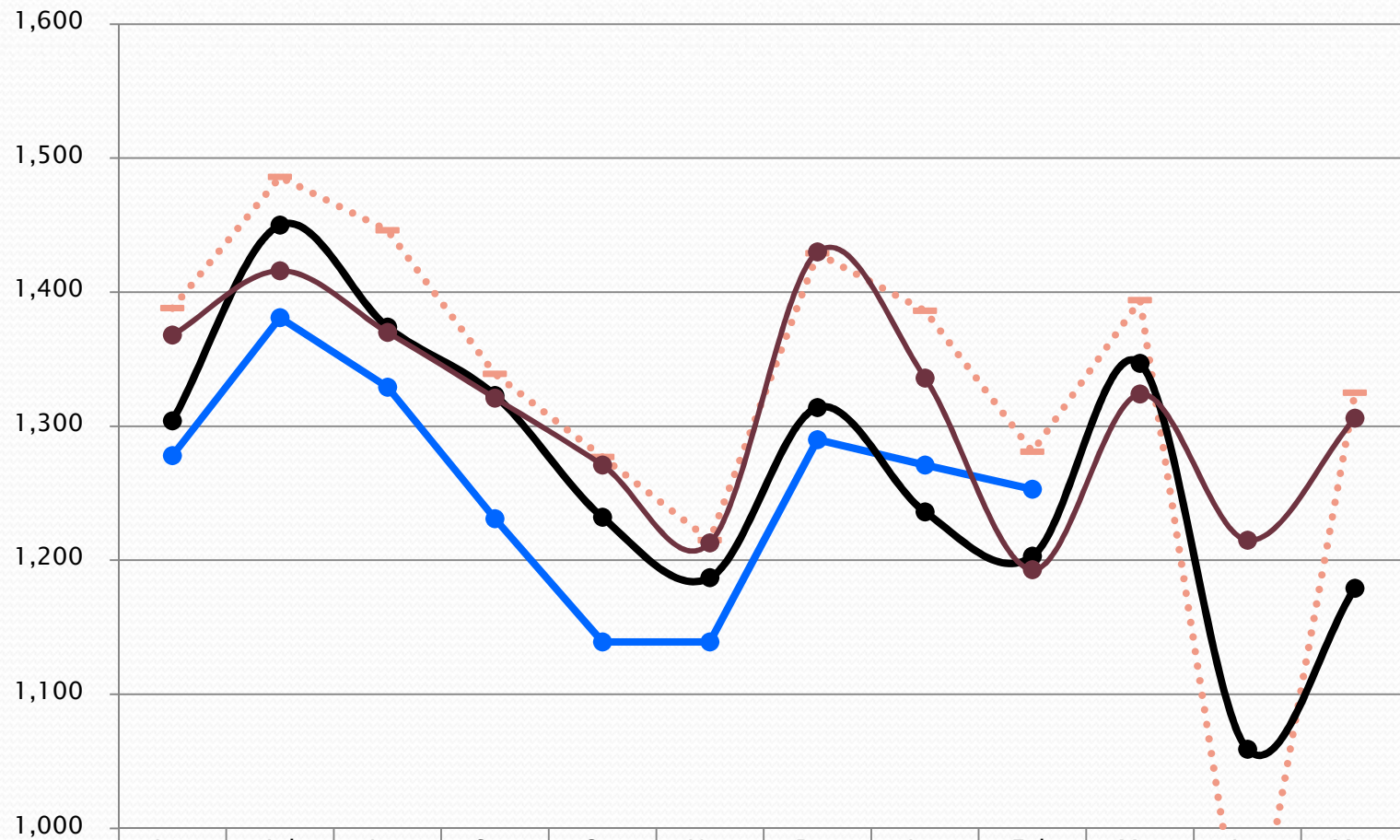
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
2017 Actual	175	140	199	180	155	141	158	165	132			
Budget	157	144	166	150	154	144	150	152	142	163	138	159
2016 Actual	137	143	154	130	150	127	133	157	172	178	157	167
2015 Actual	149	146	138	151	147	116	128	130	139	142	157	133

Holy Cross Hospital Ultrasounds



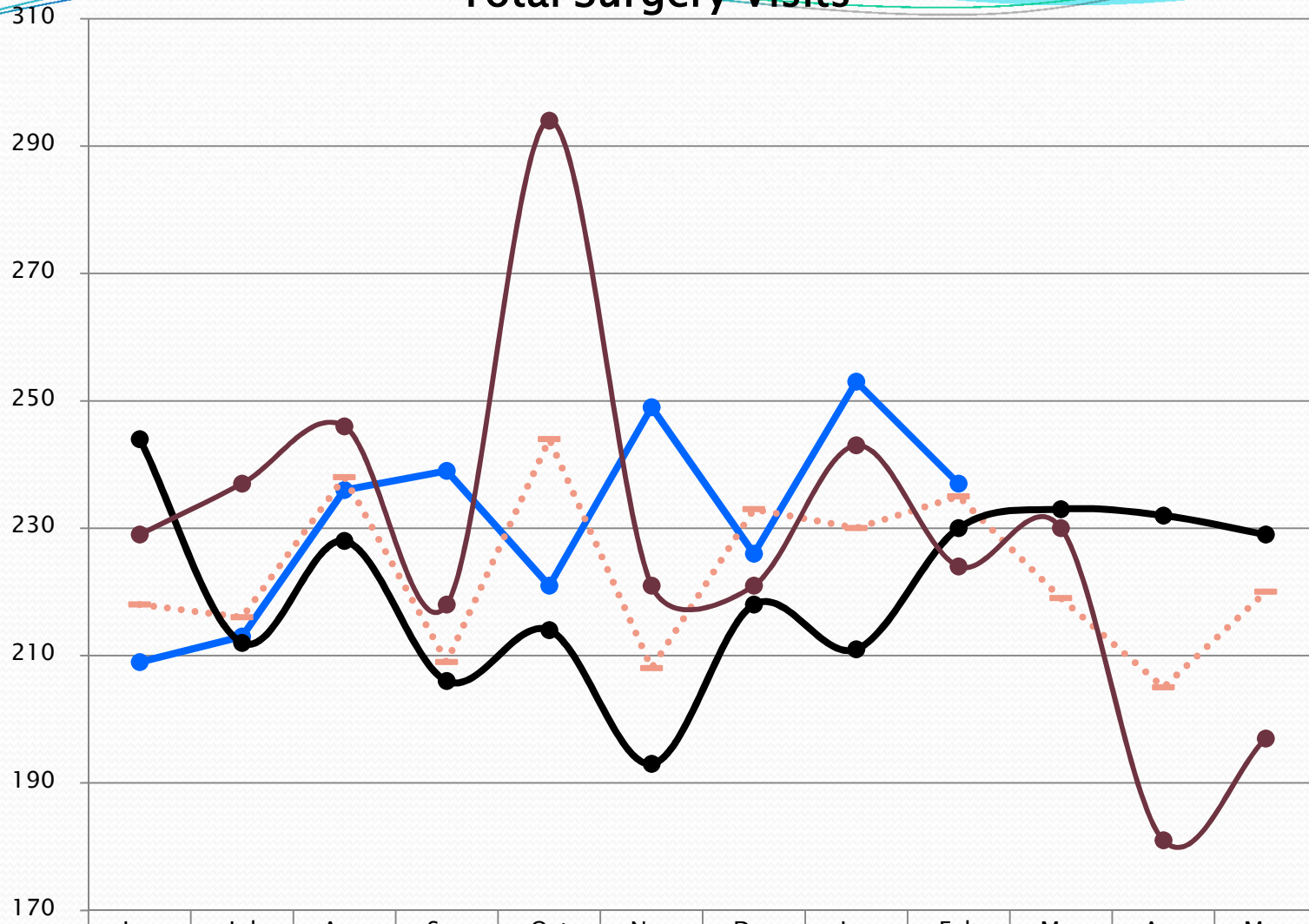
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
2017 Actual	574	526	581	526	566	594	513	568	527			
Budget	526	572	553	524	552	477	506	529	527	607	589	539
2016 Actual	465	550	519	507	537	463	514	535	568	611	613	557
2015 Actual	483	459	466	447	430	389	406	419	405	507	491	467

Holy Cross Hospital ED Visits



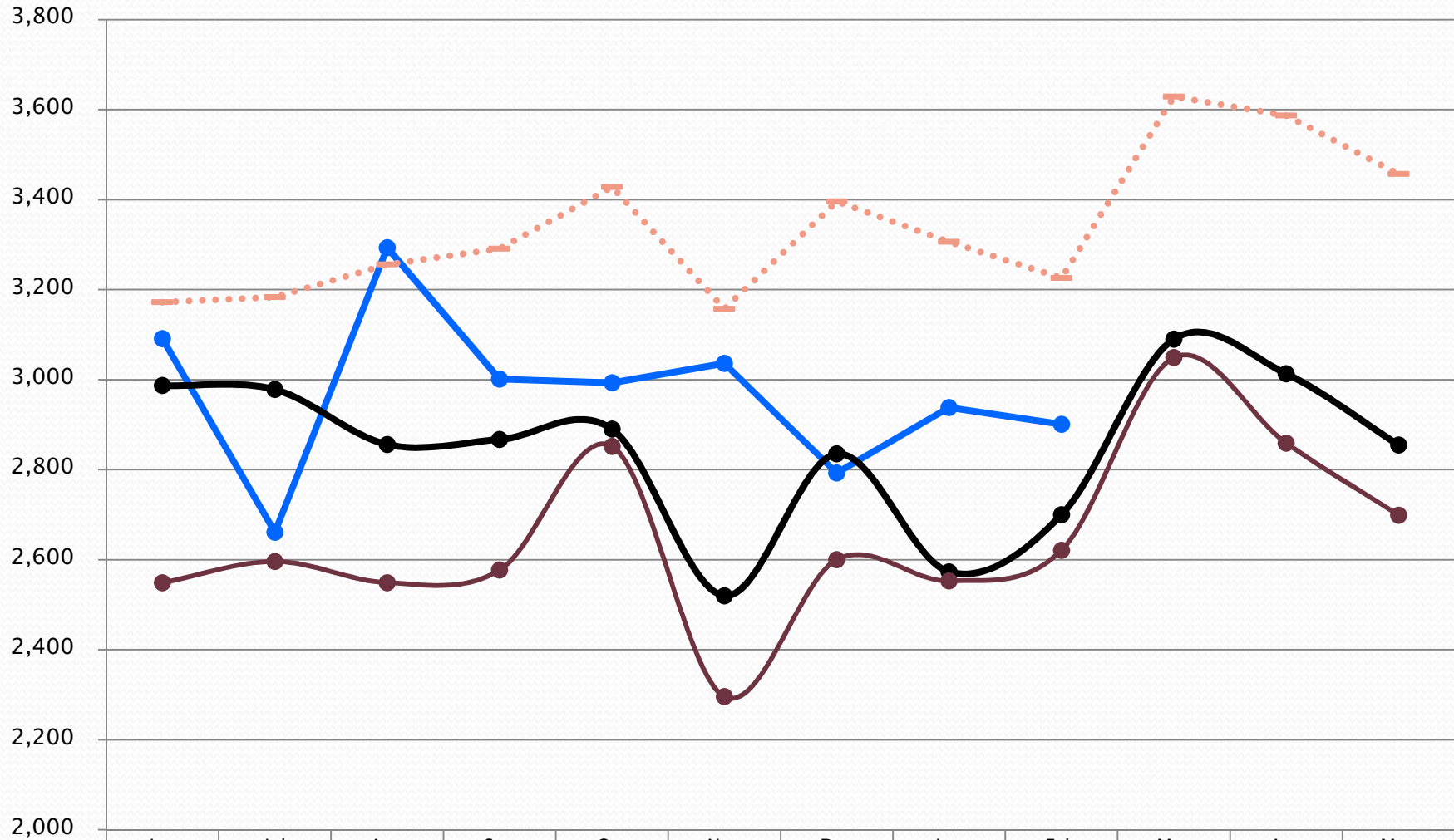
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
2017 Actual	1,278	1,381	1,329	1,231	1,139	1,139	1,290	1,271	1,253			
Budget	1,388	1,486	1,446	1,339	1,277	1,215	1,429	1,386	1,281	1,394	884	1,325
2016 Actual	1,304	1,450	1,374	1,323	1,232	1,187	1,314	1,236	1,203	1,347	1,059	1,179
2015 Actual	1,368	1,416	1,370	1,321	1,271	1,213	1,430	1,336	1,193	1,324	1,215	1,306

Holy Cross Hospital Total Surgery Visits



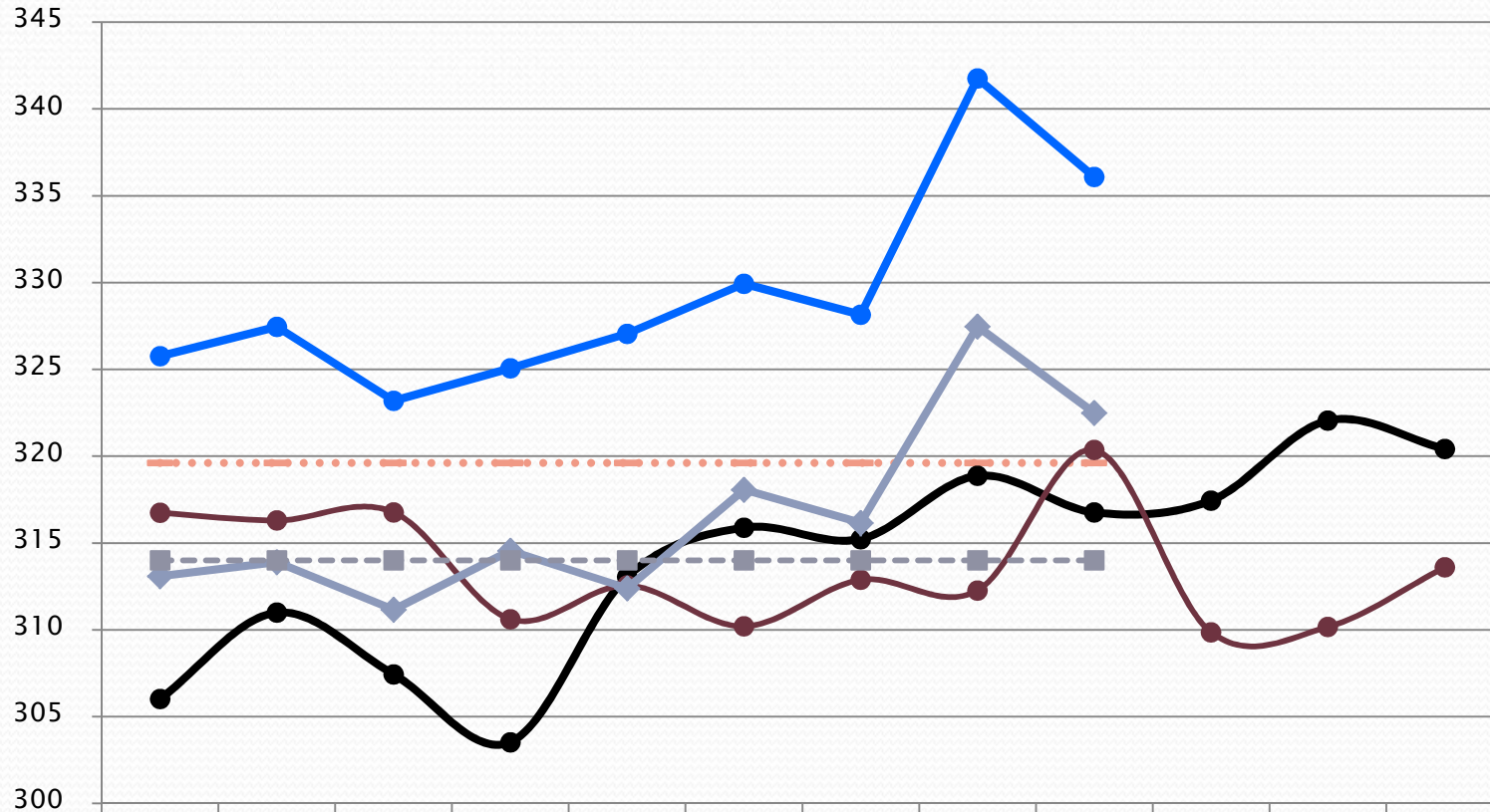
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
2017 Actual	209	213	236	239	221	249	226	253	237			
Budget	218	216	238	209	244	208	233	230	235	219	205	220
2016 Actual	244	212	228	206	214	193	218	211	230	233	232	229
2015 Actual	229	237	246	218	294	221	221	243	224	230	181	197

Taos Health Systems Clinic Visits – All Locations



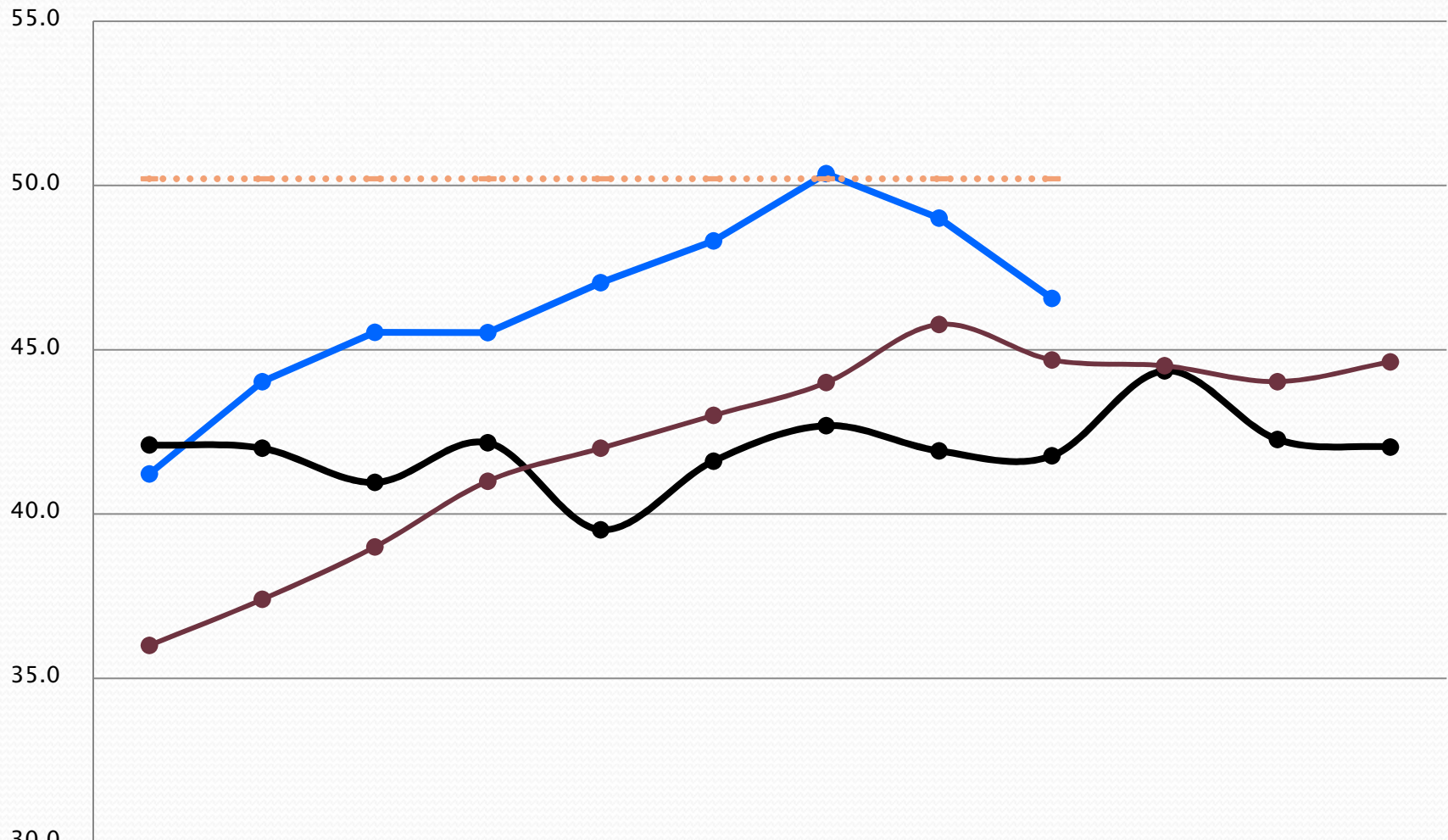
2017 Actual	3,091	2,661	3,293	3,001	2,993	3,036	2,793	2,938	2,901			
Budget	3,172	3,183	3,256	3,291	3,428	3,157	3,396	3,306	3,226	3,629	3,587	3,457
2016 Actual	2,987	2,978	2,856	2,867	2,890	2,520	2,835	2,573	2,700	3,090	3,013	2,855
2015 Actual	2,549	2,596	2,549	2,577	2,852	2,296	2,600	2,553	2,621	3,049	2,859	2,699

Holy Cross Hospital Paid FTEs



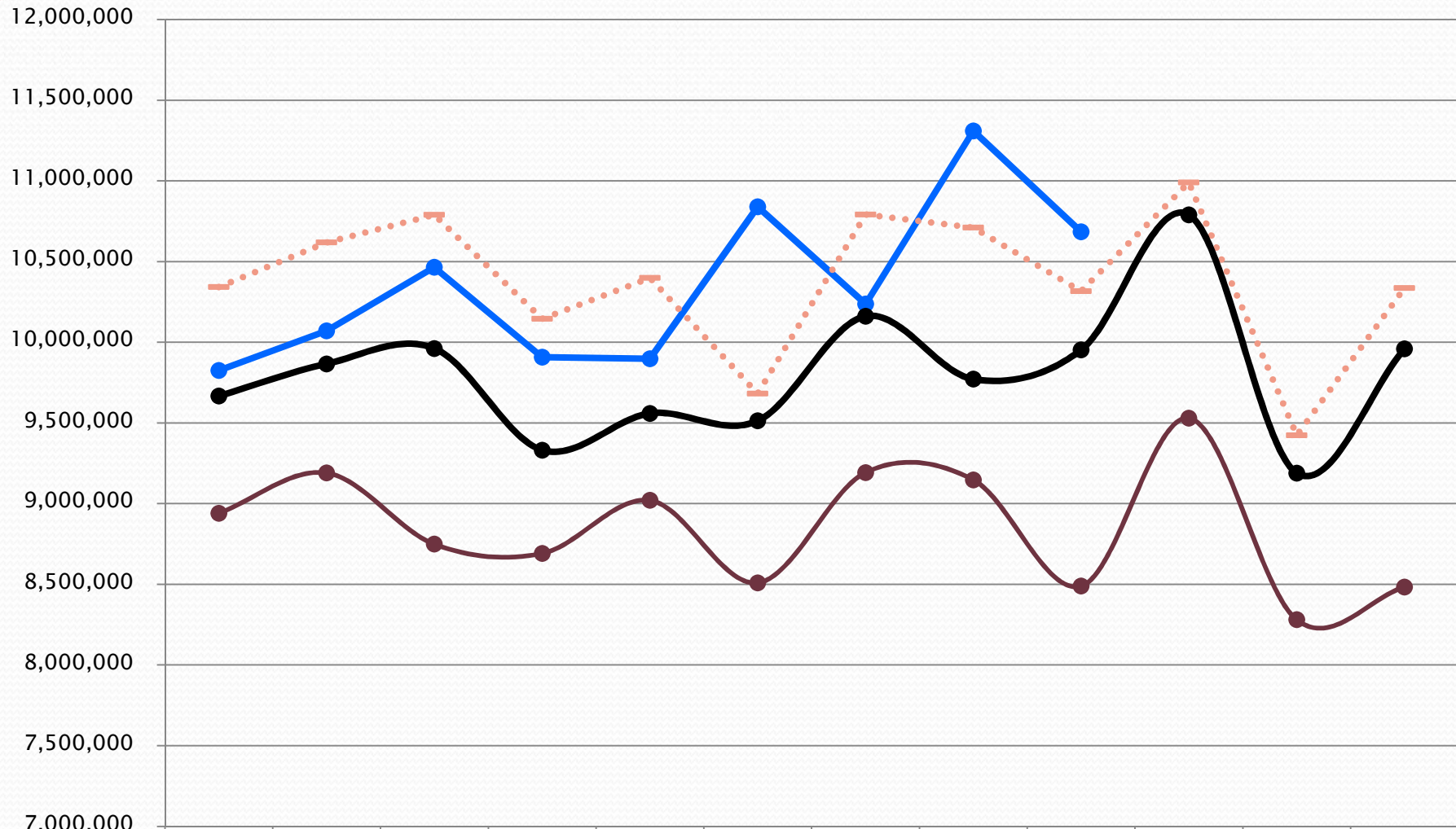
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
2017 Actual	326	327	323	325	327	330	328	342	336			
Budget	320	320	320	320	320	320	320	320	320			
2016 Actual	306	311	307	304	313	316	315	319	317	317	322	320
2015 Actual	317	316	317	311	313	310	313	312	320	310	310	314
2017 Actual - no OT	313	314	311	315	312	318	316	327	323			
Budget - no OT	314	314	314	314	314	314	314	314	314			

Holy Cross Hospital TPS Paid FTEs



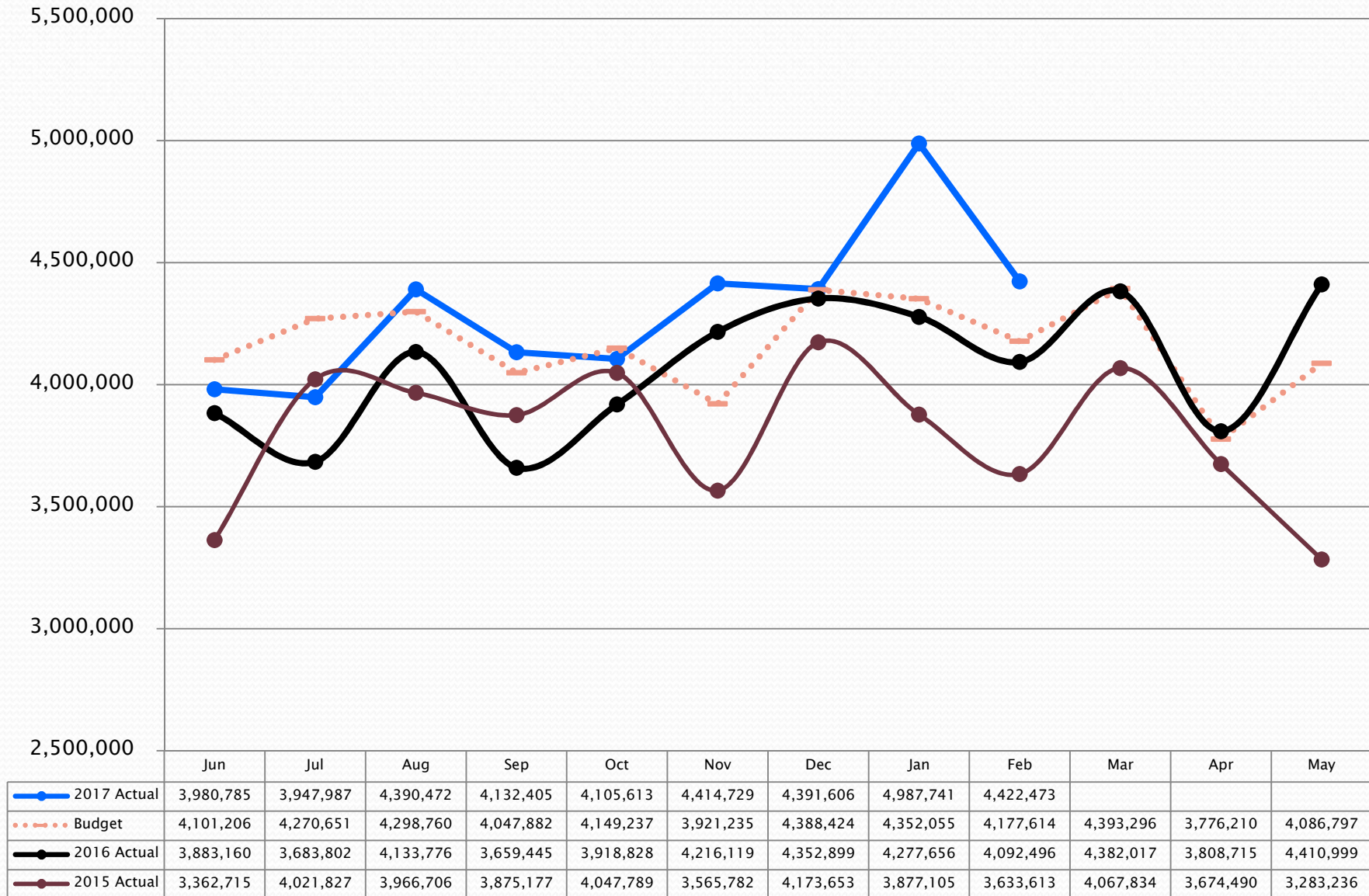
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
● 2017 Actual	41.2	44.0	45.5	45.5	47.0	48.3	50.4	49.0	46.6			
● Budget	50.2	50.2	50.2	50.2	50.2	50.2	50.2	50.2	50.2			
● 2016 Actual	42.1	42.0	41.0	42.2	39.5	41.6	42.7	41.9	41.8	44.4	42.3	42.0
● 2015 Actual	36.0	37.4	39.0	41.0	42.0	43.0	44.0	45.8	44.7	44.5	44.0	44.6

Taos Health Systems Gross Patient Revenues



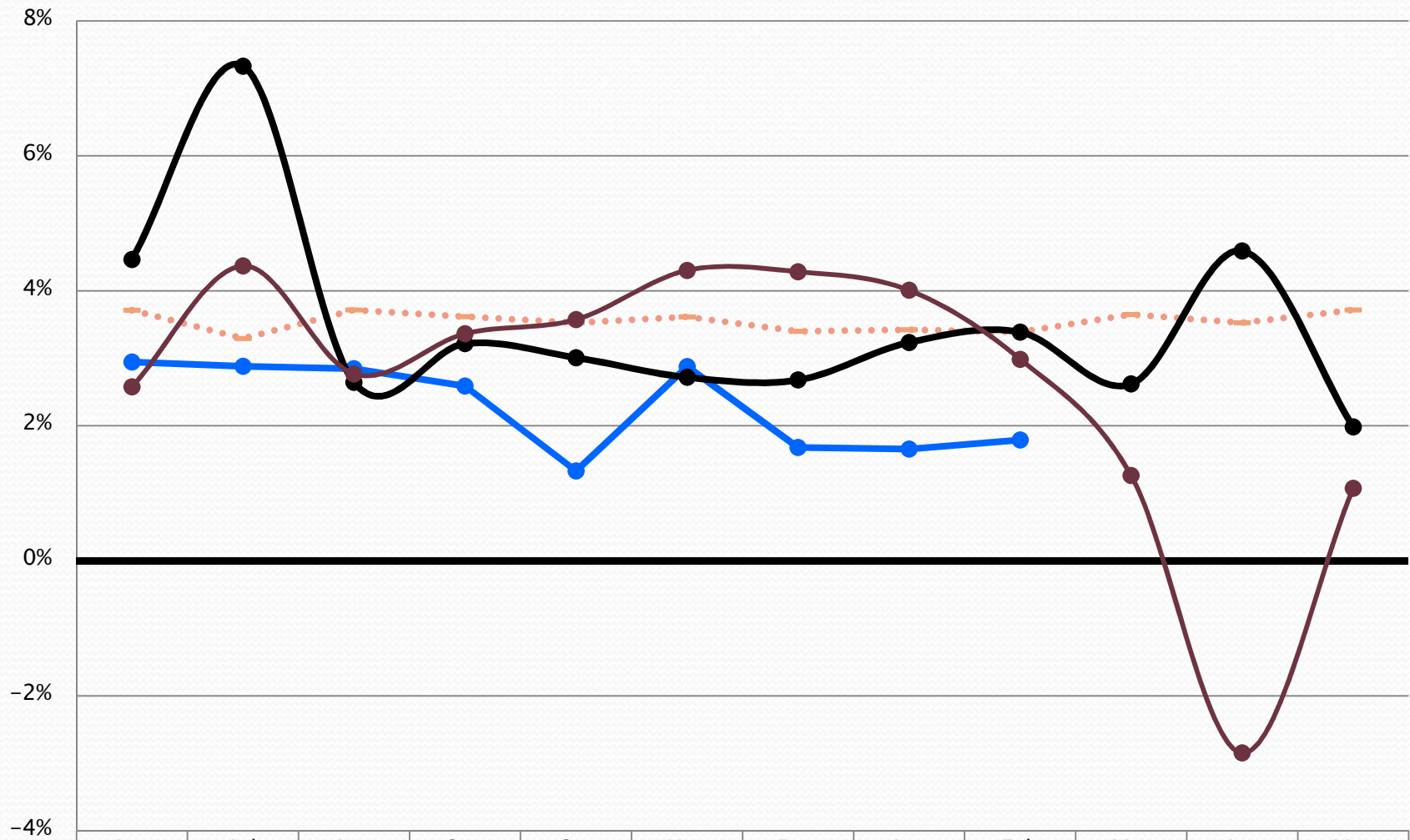
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
2017 Actual	9,825,161	10,071,175	10,464,628	9,907,943	9,898,083	10,839,282	10,236,367	11,309,632	10,684,200			
Budget	10,341,339	10,617,934	10,790,005	10,145,569	10,398,382	9,680,963	10,791,690	10,710,999	10,316,528	10,989,770	9,423,099	10,335,121
2016 Actual	9,666,459	9,866,247	9,961,292	9,331,544	9,559,321	9,513,577	10,161,552	9,771,046	9,952,807	10,789,939	9,189,394	9,959,274
2015 Actual	8,940,093	9,190,144	8,748,624	8,690,866	9,020,068	8,508,978	9,192,390	9,147,007	8,488,677	9,529,708	8,280,238	8,483,313

Taos Health Systems Net Patient Revenues



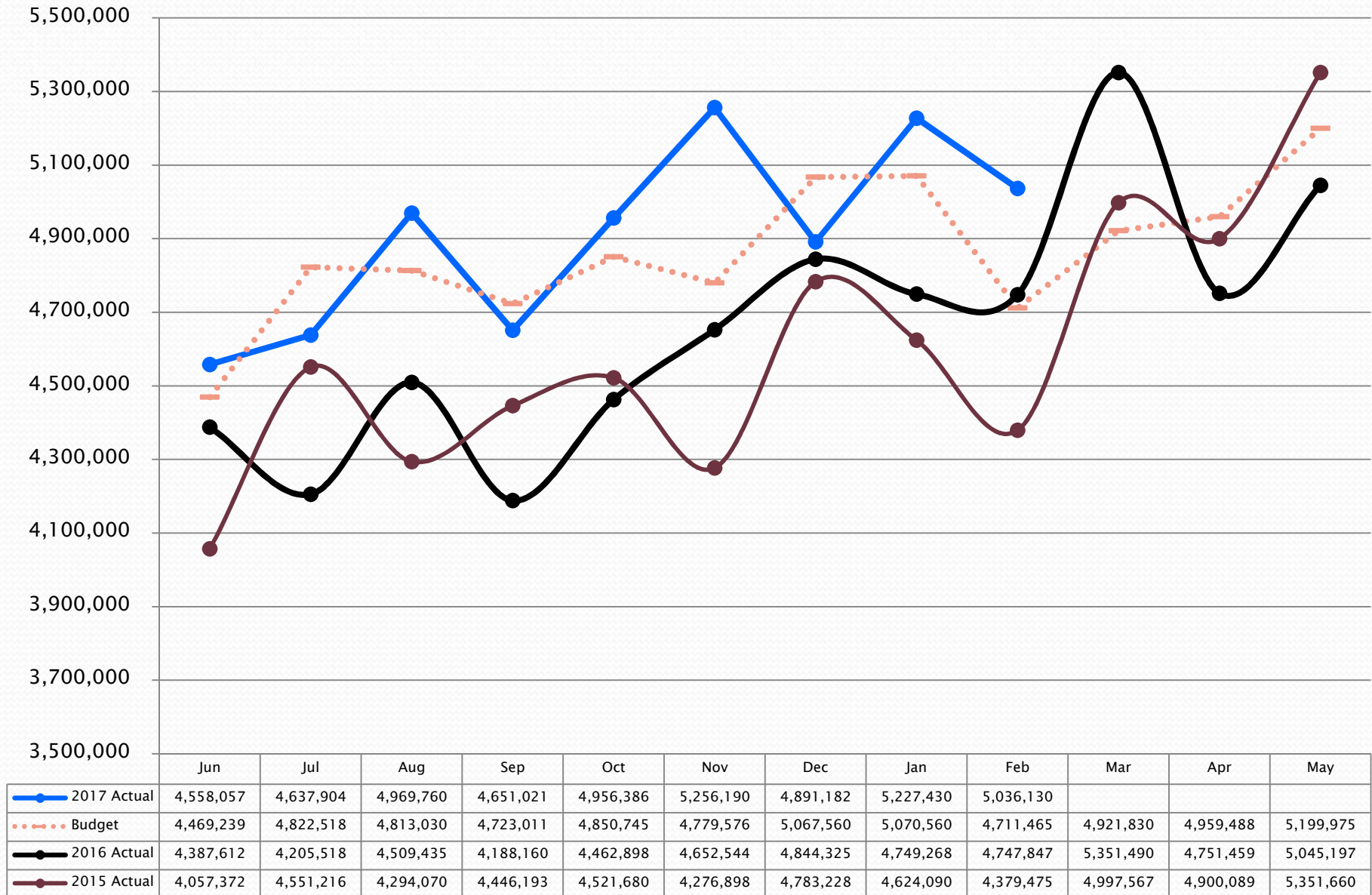
Holy Cross Hospital

Bad Debt as a % of Gross Revenue

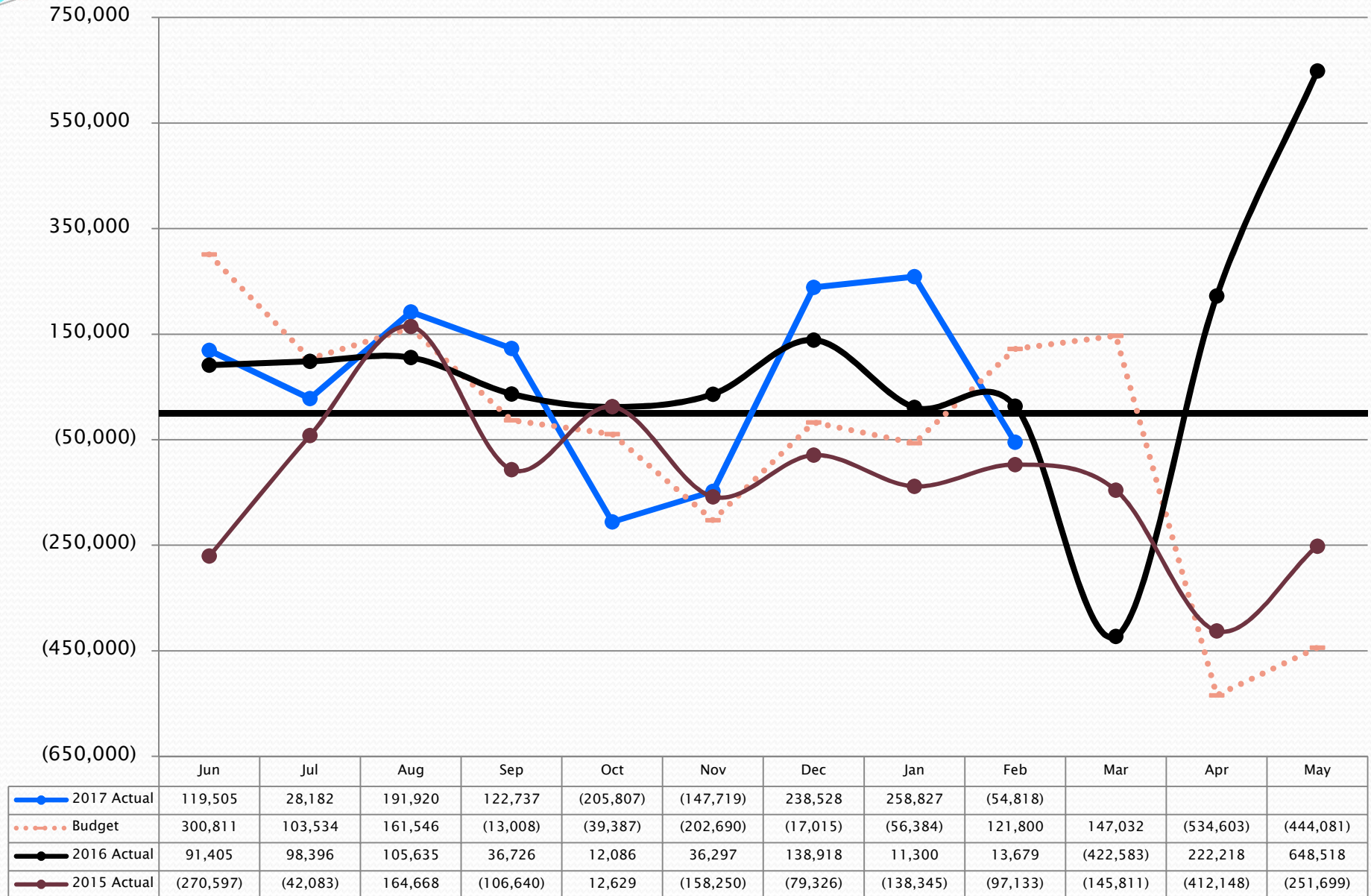


	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
● 2017 Actual	2.9%	2.9%	2.8%	2.6%	1.3%	2.9%	1.7%	1.7%	1.8%			
● Budget	3.7%	3.3%	3.7%	3.6%	3.5%	3.6%	3.4%	3.4%	3.4%	3.7%	3.5%	3.7%
● 2016 Actual	4.5%	7.3%	2.6%	3.2%	3.0%	2.7%	2.7%	3.2%	3.4%	2.6%	4.6%	2.0%
● 2015 Actual	2.6%	4.4%	2.8%	3.4%	3.6%	4.3%	4.3%	4.0%	3.0%	1.3%	-2.8%	1.1%

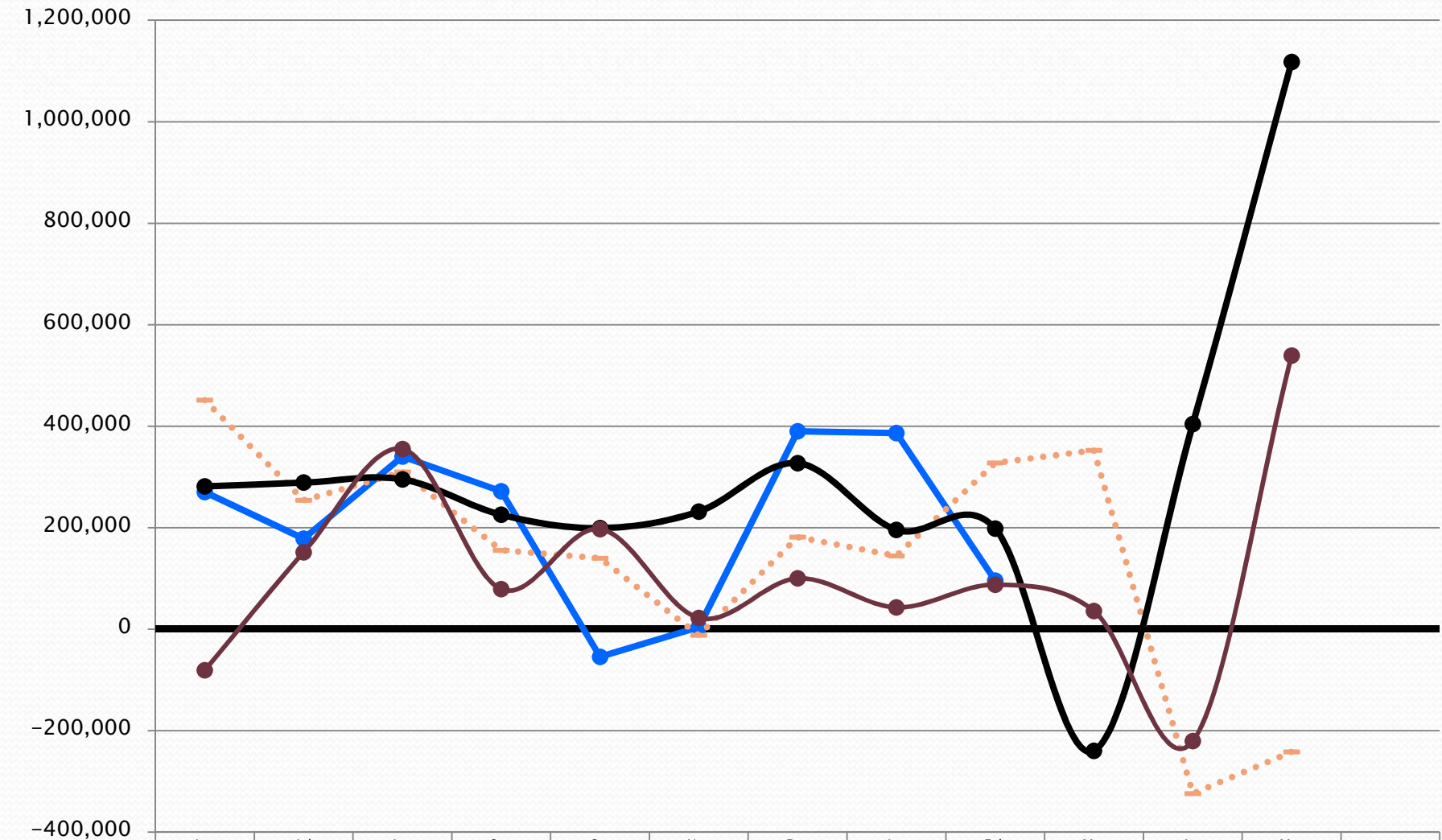
Taos Health Systems Operating Expenses



Taos Health Systems Operating Income

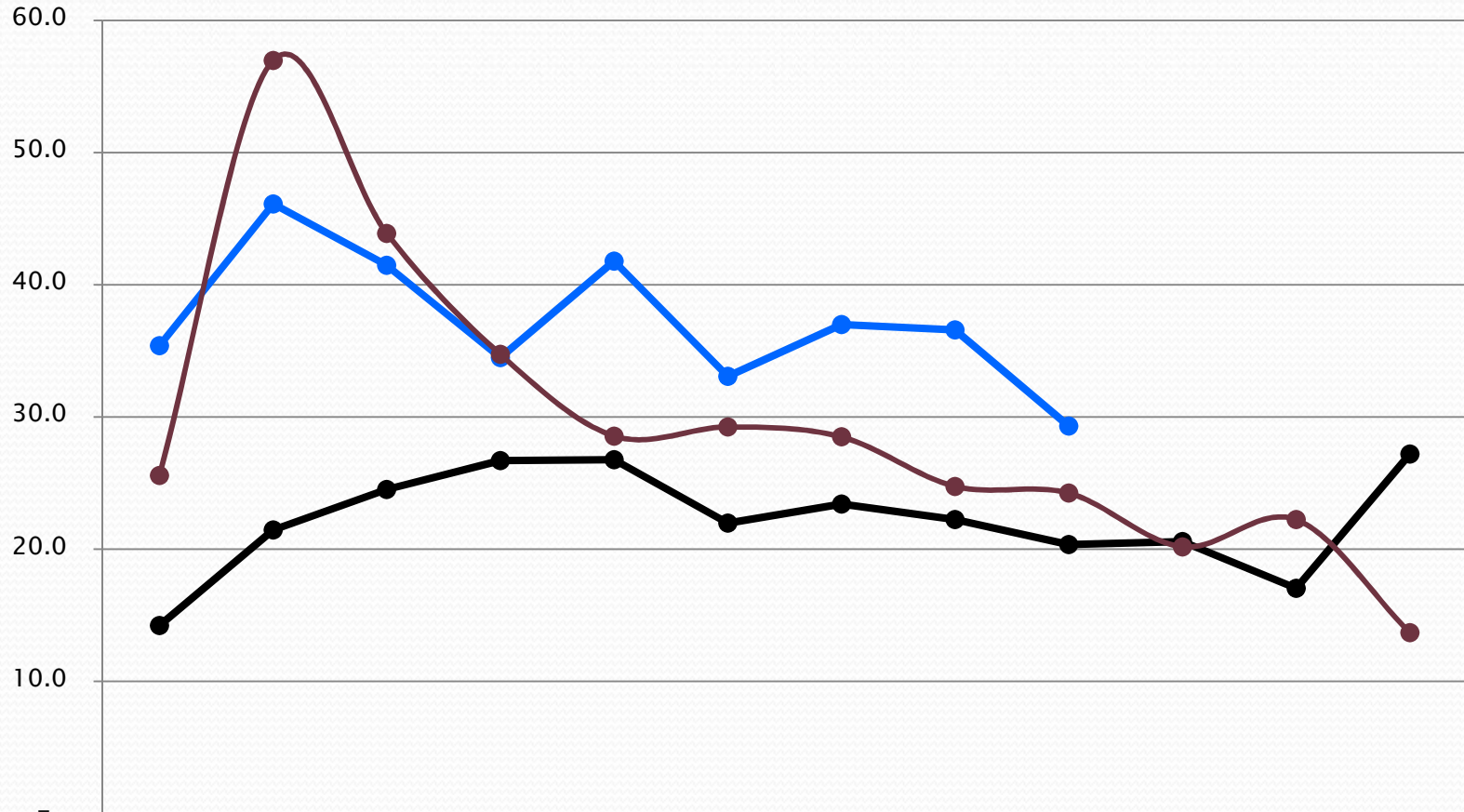


Holy Cross Hospital EBITDA Margin \$



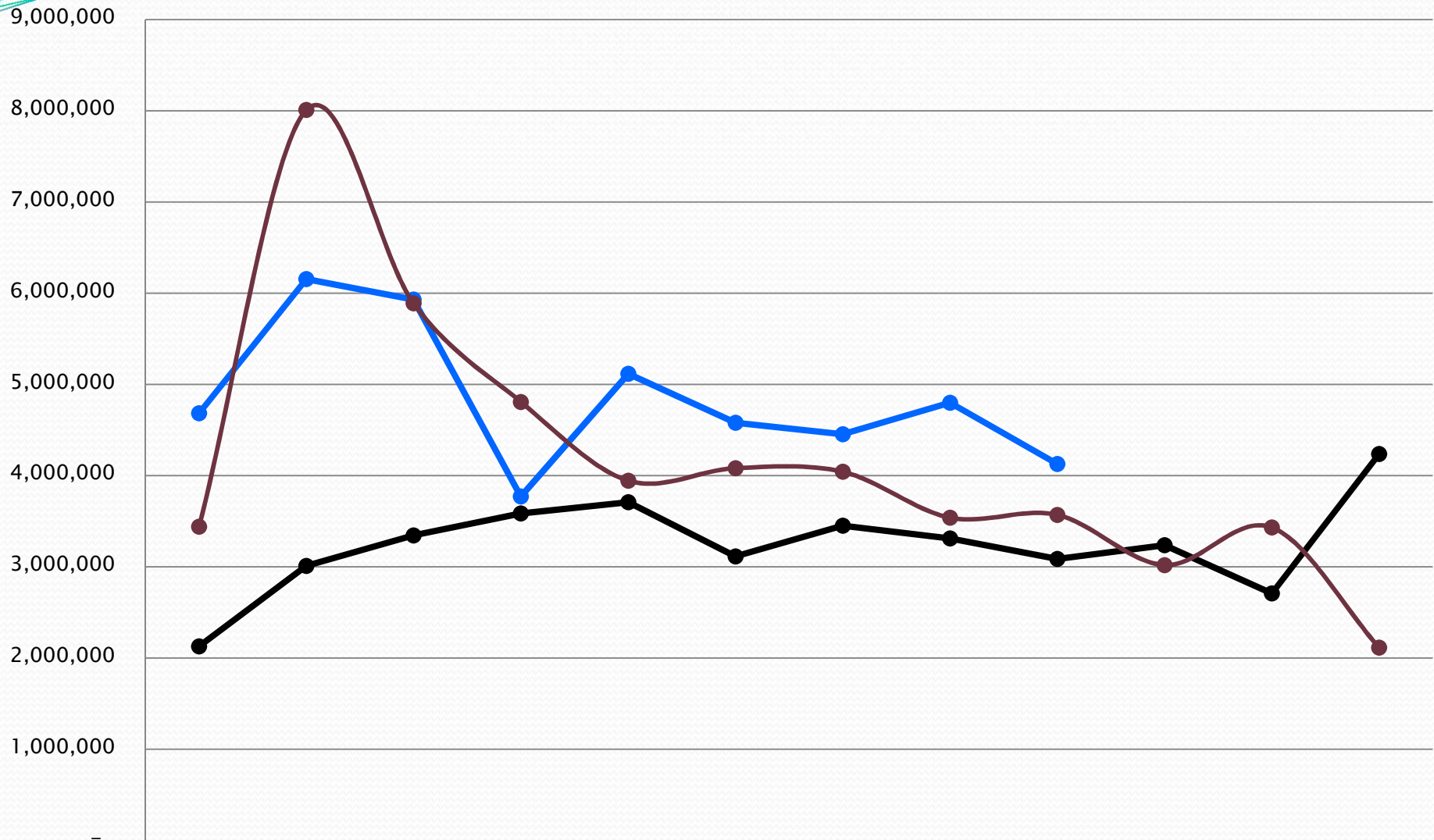
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
2017 Actual	270,107	178,244	340,146	271,756	(54,839)	3,644	389,851	386,238	95,696			
Budget	451,154	253,724	309,995	155,412	139,969	(11,987)	181,145	144,276	327,457	352,541	(324,094)	(241,802)
2016 Actual	281,464	288,734	295,255	225,393	199,193	231,833	327,225	195,684	198,103	(239,760)	404,013	1,117,829
2015 Actual	(80,888)	151,480	355,086	78,753	197,325	21,994	99,992	42,956	87,612	35,696	(220,660)	539,173

Holy Cross Hospital Days Cash



	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
● 2017 Actual	35.4	46.1	41.5	34.5	41.8	33.1	37.0	36.6	29.3			
● 2016 Actual	14.2	21.5	24.5	26.7	26.8	22.0	23.4	22.2	20.4	20.6	17.0	27.2
● 2015 Actual	25.6	57.0	43.9	34.7	28.6	29.2	28.5	24.7	24.2	20.2	22.2	13.7

Holy Cross Hospital Total Cash



	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
2017 Actual	4,684,631	6,155,422	5,930,008	3,771,374	5,115,934	4,580,267	4,454,235	4,799,081	4,128,876			
2016 Actual	2,127,526	3,011,085	3,344,232	3,585,199	3,709,798	3,114,093	3,450,297	3,310,570	3,087,882	3,237,616	2,710,172	4,236,610
2015 Actual	3,441,053	8,007,896	5,887,719	4,808,002	3,945,545	4,082,409	4,042,134	3,538,895	3,569,680	3,019,858	3,431,987	2,114,552

**Holy Cross Hospital
Balance Sheet
February 28, 2017**

<i>Line</i>	Assets	CURRENT MONTH	PRIOR MONTH	PRIOR YEAR	Difference
	CURRENT ASSETS:				
1	Cash & Cash Equivalents	\$3,765,456	\$4,412,446	\$2,152,763	(646,990)
2	Patient Accounts Receivable, net of Estimated Uncollectable of \$9,686,003	5,762,073	5,666,448	9,083,099	95,625
3	Inventories	1,478,602	1,499,313	1,727,433	(20,711)
4	Prepaid Expenses	911,609	874,700	1,158,500	36,909
5	Other Receivables	<u>2,746,523</u>	<u>2,104,932</u>	<u>1,899,458</u>	<u>641,591</u>
6	Total Current Assets	<u>14,664,263</u>	<u>14,557,839</u>	<u>16,021,253</u>	<u>106,424</u>
7	Other assets limited as to use Other Long Term Assets	1,671,244	1,925,411	1,774,236	(254,167)
8	Equity in Net Assets of Affiliates	<u>50,188</u>	<u>50,188</u>	<u>33,063</u>	<u>0</u>
9	Total Other Assets	<u>1,721,432</u>	<u>1,975,599</u>	<u>1,807,299</u>	<u>(254,167)</u>
	PROPERTY AND EQUIPMENT:				
10	Furniture, fixtures and equipment, net	<u>14,436,248</u>	<u>14,536,834</u>	<u>15,568,687</u>	<u>(100,586)</u>
11	TOTAL ASSETS	<u>\$30,821,942</u>	<u>\$31,070,272</u>	<u>\$33,397,239</u>	<u>(\$248,329)</u>
	Liabilities and Fund Balance				
	CURRENT LIABILITIES:				
12	Accounts Payable	\$2,120,483	\$2,422,772	\$3,240,502	(302,289)
13	Deferred Revenue	(2,824)	(2,824)	(2,469)	0
14	Accrued liabilities	3,441,549	3,364,388	2,191,679	77,161
15	Due to 3rd Party Payors	35,318	35,318	(31,792)	0
16	Current Portion Capital Leases	62,314	79,674	121,223	(17,360)
17	Current Portion LTD	<u>532,230</u>	<u>531,078</u>	<u>872,180</u>	<u>1,152</u>
18	Total current liabilities	<u>6,189,068</u>	<u>6,430,406</u>	<u>6,391,323</u>	<u>(241,336)</u>
	LONG-TERM DEBT:				
19	Leases Payable	552,540	552,540	774,216	0
20	Notes Payable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
21	Total Long-Term Debt	<u>552,540</u>	<u>552,540</u>	<u>774,216</u>	<u>0</u>
22	RESTRICTED FUND BALANCE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	UNRESTRICTED NET ASSETS	<u>24,080,335</u>	<u>24,087,327</u>	<u>26,231,700</u>	<u>(6,992)</u>
24	TOTAL LIABILITIES AND FUND BALANCES	<u>\$30,821,942</u>	<u>\$31,070,272</u>	<u>\$33,397,239</u>	<u>(\$248,329)</u>

Holy Cross Hospital
Statement of Revenues and Expenses
February 2017

Line	CURRENT MONTH				YEAR TO DATE				
	ACTUAL	BUDGET	\$ variance	% variance	ACTUAL	BUDGET	\$ variance	% variance	
1	1,931	1,643	288	17.5%	ADJUSTED PATIENT DAYS	14,927	15,153	(226)	-1.5%
OPERATING REVENUE AND GAINS:									
2	\$2,446,259	\$2,387,256	\$59,003	2.5%	In-Patient Revenue	\$21,632,606	\$21,692,763	(\$60,157)	-0.3%
3	\$7,332,848	\$6,993,880	\$338,968	4.8%	Out-Patient Revenue	\$63,468,401	\$63,391,199	\$77,202	0.1%
4	\$9,779,107	\$9,381,136	\$397,971	4.2%	Gross Patient Revenue	\$85,101,007	\$85,083,962	\$17,045	0.0%
5	(\$5,513,025)	(\$5,316,403)	(\$196,622)	-3.7%	Deductions from Revenue	(\$47,851,185)	(\$48,218,104)	\$366,919	0.8%
6	(\$192,352)	(\$343,413)	\$151,061	44.0%	Bad Debt Deductions	(\$2,136,791)	(\$3,245,254)	\$1,108,463	34.2%
7	\$4,073,730	\$3,721,320	\$352,410	9.5%	Net Patient Revenue	\$35,113,031	\$33,620,604	\$1,492,427	4.4%
8	\$555,888	\$655,401	(\$99,513)	-15.2%	Other Income	\$5,953,023	\$5,959,097	(\$6,074)	-0.1%
9	\$4,629,618	\$4,376,721	\$252,897	5.8%	TOTAL OPERATING REVENUE	\$41,066,054	\$39,579,701	\$1,486,353	3.8%
OPERATING EXPENSES AND LOSSES:									
10	\$1,772,207	\$1,631,495	(\$140,712)	-8.6%	Salaries and Wages	\$16,312,402	\$15,907,112	(\$405,290)	-2.5%
11	\$359,755	\$355,506	(\$4,249)	-1.2%	Employee Benefits	\$3,353,371	\$3,207,554	(\$145,817)	-4.5%
12	\$91,075	\$102,543	\$11,468	11.2%	Professional Fees	\$946,133	\$990,489	\$44,356	4.5%
13	\$81,515	\$64,809	(\$16,706)	-25.8%	Locum Tenens	\$749,154	\$631,886	(\$117,268)	-18.6%
14	\$784,645	\$625,081	(\$159,564)	-25.5%	Supplies	\$6,246,229	\$5,304,203	(\$942,026)	-17.8%
15	\$170,447	\$90,845	(\$79,602)	-87.6%	Repairs & Maintenance	\$854,455	\$914,143	\$59,688	6.5%
16	\$60,593	\$53,447	(\$7,146)	-13.4%	Utilities	\$553,743	\$512,664	(\$41,079)	-8.0%
17	\$11,994	\$100,574	\$88,580	88.1%	Insurance	\$648,858	\$905,166	\$256,308	28.3%
18	\$3,837	\$5,208	\$1,371	26.3%	Interest	\$37,978	\$46,872	\$8,894	19.0%
19	\$741,087	\$638,383	(\$102,704)	-16.1%	Other Purchased Services	\$6,074,420	\$5,380,555	(\$693,865)	-12.9%
20	\$80,560	\$78,798	(\$1,762)	-2.2%	Leases and Rentals	\$722,468	\$709,182	(\$13,286)	-1.9%
21	\$142,248	\$197,593	\$55,345	28.0%	Depreciation & Amortization	\$1,268,956	\$1,519,362	\$250,406	16.5%
22	\$89,808	\$149,661	\$59,853	40.0%	Other Expenses	\$966,609	\$1,292,228	\$325,619	25.2%
23	\$4,389,771	\$4,093,943	(\$295,828)	-7.2%	Total operating expenses	\$38,734,776	\$37,321,416	(\$1,413,360)	-3.8%
24	\$239,847	\$282,778	(\$42,931)	15.2%	INCOME FROM OPERATIONS	\$2,331,278	\$2,258,285	\$72,993	-3.2%
25	\$145	\$159	(\$14)	-8.8%	Donations/Other	\$983	\$1,499	(\$516)	-34.4%
26	(\$5,035)	\$18,891	(\$23,926)	-126.7%	Investments	\$84,400	\$174,933	(\$90,533)	-51.8%
27	(\$4,890)	\$19,050	(\$23,940)	-125.7%	Non-Operating Gains/Losses	\$85,383	\$176,432	(\$91,049)	-51.6%
NET REVENUE									
28	\$234,957	\$301,828	(\$66,871)	22.2%	IN EXCESS OF EXPENSES	\$2,416,661	\$2,434,717	(\$18,056)	0.7%
29	5.18%	6.46%			Operating Profit Margin	5.68%	5.71%		
30	5.08%	6.90%			Total Profit Margin	5.88%	6.15%		

Holy Cross Hospital
Statement of Revenues and Expenses
February 2017

Line	YEAR TO DATE				PRIOR YEAR TO DATE		
	ACTUAL	BUDGET	\$ variance	% variance	ACTUAL	\$ variance	% variance
1 ADJUSTED PATIENT DAYS	14,927	15,153	(226)	-1.5%	14,899	\$28	0.2%
OPERATING REVENUE AND GAINS:							
2 In-Patient Revenue	\$21,632,606	\$21,692,763	(\$60,157)	-0.3%	\$21,423,892	\$208,714	1.0%
3 Out-Patient Revenue	\$63,468,401	\$63,391,199	\$77,202	0.1%	\$59,091,467	\$4,376,934	7.4%
4 Gross Patient Revenue	\$85,101,007	\$85,083,962	\$17,045	0.0%	\$80,515,359	\$4,585,648	5.7%
5 Deductions from Revenue	(\$47,851,185)	(\$48,218,104)	\$366,919	0.8%	(\$44,501,962)	(\$3,349,223)	7.5%
6 Bad Debt Deductions	(\$2,136,791)	(\$3,245,254)	\$1,108,463	34.2%	(\$3,196,015)	\$1,059,224	-33.1%
7 Net Patient Revenue	\$35,113,031	\$33,620,604	\$1,492,427	4.4%	\$32,817,382	\$2,295,649	7.0%
8 Other Income	\$5,953,023	\$5,959,097	(\$6,074)	-0.1%	\$5,013,194	\$939,829	18.7%
9 TOTAL OPERATING REVENUE	<u>\$41,066,054</u>	<u>\$39,579,701</u>	<u>\$1,486,353</u>	3.8%	<u>\$37,830,576</u>	<u>\$3,235,478</u>	8.6%
OPERATING EXPENSES AND LOSSES:							
10 Salaries and Wages	\$16,312,402	\$15,907,112	(\$405,290)	-2.5%	\$15,027,638	\$1,284,764	8.5%
11 Employee Benefits	\$3,353,371	\$3,207,554	(\$145,817)	-4.5%	\$2,865,786	\$487,585	17.0%
12 Professional Fees	\$946,133	\$990,489	\$44,356	4.5%	\$955,130	(\$8,997)	-0.9%
13 Locum Tenens	\$749,154	\$631,886	(\$117,268)	-18.6%	\$736,905	\$12,249	1.7%
14 Supplies	\$6,246,229	\$5,304,203	(\$942,026)	-17.8%	\$5,275,416	\$970,813	18.4%
15 Repairs & Maintenance	\$854,455	\$914,143	\$59,688	6.5%	\$819,551	\$34,904	4.3%
16 Utilities	\$553,743	\$512,664	(\$41,079)	-8.0%	\$497,718	\$56,025	11.3%
17 Insurance	\$648,858	\$905,166	\$256,308	28.3%	\$670,708	(\$21,850)	-3.3%
18 Interest	\$37,978	\$46,872	\$8,894	19.0%	\$56,034	(\$18,056)	-32.2%
19 Other Purchased Services	\$6,074,420	\$5,380,555	(\$693,865)	-12.9%	\$5,428,652	\$645,768	11.9%
20 Leases and Rentals	\$722,468	\$709,182	(\$13,286)	-1.9%	\$734,615	(\$12,147)	-1.7%
21 Depreciation & Amortization	\$1,268,956	\$1,519,362	\$250,406	16.5%	\$1,608,821	(\$339,865)	-21.1%
22 Other Expenses	\$966,609	\$1,292,228	\$325,619	25.2%	\$940,865	\$25,744	2.7%
23 Total operating expenses	<u>\$38,734,776</u>	<u>\$37,321,416</u>	<u>(\$1,413,360)</u>	-3.8%	<u>\$35,617,839</u>	<u>\$3,116,937</u>	8.8%
24 INCOME FROM OPERATIONS	<u>\$2,331,278</u>	<u>\$2,258,285</u>	<u>\$72,993</u>	-3.2%	<u>\$2,212,737</u>	<u>\$118,541</u>	5.4%
25 Donations/Other	\$983	\$1,499	(\$516)	-34.4%	\$1,111	(\$128)	-11.5%
26 Investments	\$84,400	\$174,933	(\$90,533)	-51.8%	\$109,998	(\$25,598)	-23.3%
27 Non-Operating Gains/Losses	<u>\$85,383</u>	<u>\$176,432</u>	<u>(\$91,049)</u>	-51.6%	<u>\$111,109</u>	<u>(\$25,726)</u>	-23.2%
NET REVENUE							
28 IN EXCESS OF EXPENSES	<u>\$2,416,661</u>	<u>\$2,434,717</u>	<u>(\$18,056)</u>	0.7%	<u>\$2,323,846</u>	<u>\$92,815</u>	4.0%
29 Operating Profit Margin	<u>5.68%</u>	<u>5.71%</u>			<u>5.85%</u>		
30 Total Profit Margin	<u>5.88%</u>	<u>6.15%</u>			<u>6.14%</u>		

Holy Cross Hospital
Statement of Changes in Cash
February 28, 2017

2

	<u>CURRENT MONTH</u>	<u>YEAR-TO- DATE</u>
1 NET INCOME	\$234,957	\$2,416,661
Add Back Non Cash Items:		
2 Depreciation & Amortization	142,248	1,268,956
3 Cash Provided By Operations	377,205	3,685,617
Changes In W/C Other Than Cash:		
4 Accounts Receivable	(249,475)	(1,859,628)
5 Allow. For Uncollectables	82,412	(234,317)
6 Allow. For Contr. Adj.	71,438	731,761
7 Other Receivables	(641,591)	(1,456,763)
8 Due From Third Parties	0	0
9 Inventory	20,711	43,982
10 Prepaid Expenses	(36,909)	(75,396)
11 Accounts Payable	(302,289)	(650,432)
12 Other Accrued Liabilities	77,161	1,579,227
13 Current Portion LTD	(16,208)	(152,626)
14 Subtotal	(994,750)	(2,074,192)
15 W/C Provided By Operations:	(617,545)	1,611,425
Other Sources:		
16 Fixed Assets Sold	0	0
17 Equity Adjustments	(241,949)	(184,318)
18 Funded Depreciation	0	0
19 Restricted Funds	254,167	37,599
20 Bond Issuance Costs	0	0
21 Subtotal	12,218	(146,719)
22 Total Sources Of Cash	(605,327)	1,464,706
Applications:		
23 Purchase Of Fixed Assets	41,662	730,877
24 Other Assets Acquired	0	0
25 Payable & Deferred Liabilities	0	355
26 Equity in net assets of affiliates	0	17,125
27 Third Party Settlements	0	(32,379)
28 Total Applications Of Funds	41,662	715,978
29 Net Change In Cash	(646,989)	748,728
30 Beginning Cash	4,412,446	3,016,731
31 Ending Cash	\$3,765,456	\$3,765,456

**Taos Professional Services
Balance Sheet
February 28, 2017**

<i>Line</i>	<i>Assets</i>	CURRENT MONTH	PRIOR MONTH	PRIOR YEAR	Difference
	CURRENT ASSETS:				
1	Cash & Cash Equivalents	\$363,420	\$386,635	\$874,765	(23,215)
2	Patient Accounts Receivable, net of Estimated Uncollectable of \$473,496	298,455	347,574	(4,033,021)	(49,119)
3	Inventories	0	0	0	0
4	Prepaid Expenses	94,051	96,109	32,436	(2,058)
5	Other Receivables	(26,645)	(25,097)	0	(1,548)
6	Total Current Assets	<u>729,281</u>	<u>805,221</u>	<u>(3,125,820)</u>	<u>(75,940)</u>
7	Other assets limited as to use				0
	Other Long Term Assets				0
8	Equity in Net Assets of Affiliates				0
9	Total Other Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	PROPERTY AND EQUIPMENT:				
10	Furniture, fixtures and equipment, net	<u>594,583</u>	<u>472,516</u>	<u>111,100</u>	<u>122,067</u>
11	TOTAL ASSETS	<u>\$1,323,864</u>	<u>\$1,277,737</u>	<u>(\$3,014,720)</u>	<u>\$46,127</u>
	Liabilities and Fund Balance				
	CURRENT LIABILITIES:				
12	Accounts Payable	\$133,610	\$42,391	\$808,757	91,219
13	Deferred Revenue				0
14	Accrued liabilities	2,367,120	2,117,548	509,014	249,572
15	Due to 3rd Party Payors				0
16	Current Portion Capital Leases				0
17	Current Portion LTD	\$0	\$0	\$0	0
18	Total current liabilities	<u>\$2,500,730</u>	<u>\$2,159,940</u>	<u>\$1,317,771</u>	<u>340,791</u>
	LONG-TERM DEBT:				
19	Leases Payable				0
20	Notes Payable				0
21	Total Long-Term Debt	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
22	RESTRICTED FUND BALANCE				0
23	UNRESTRICTED NET ASSETS	<u>(1,176,865)</u>	<u>(882,201)</u>	<u>(4,332,491)</u>	<u>(294,664)</u>
24	TOTAL LIABILITIES AND FUND BALANCES	<u>\$1,323,864</u>	<u>\$1,277,737</u>	<u>(\$3,014,720)</u>	<u>\$46,127</u>

Taos Professional Services
Statement of Revenues and Expenses
February 2017

Line	<u>CURRENT MONTH</u>					<u>YEAR TO DATE</u>			
	<u>ACTUAL</u>	<u>BUDGET</u>	<u>\$ variance</u>	<u>% variance</u>		<u>ACTUAL</u>	<u>BUDGET</u>	<u>\$ variance</u>	<u>% variance</u>
OPERATING REVENUE AND GAINS:									
1	\$905,093	\$935,392	(\$30,299)	-3.2%	Gross Professional Revenue	\$8,135,463	\$8,709,448	(\$573,985)	-6.6%
2	(\$557,541)	(\$472,848)	(\$84,693)	17.9%	Deductions from Revenue	(\$4,483,609)	(\$4,566,737)	\$83,128	-1.8%
3	\$1,191	(\$6,250)	\$7,441	119.1%	Bad Debt Deduction	\$8,929	(\$56,250)	\$65,179	115.9%
4	\$348,743	\$456,294	(\$107,551)	-23.6%	Net Professional Revenue	\$3,660,783	\$4,086,461	(\$425,678)	-10.4%
5	\$2,951	\$250	\$2,701	1080.4%	Other Income	\$8,582	\$750	\$7,832	1044.3%
6	\$351,694	\$456,544	(\$104,850)	-23.0%	TOTAL OPERATING REVENUE	\$3,669,365	\$4,087,211	(\$417,846)	-10.2%
OPERATING EXPENSES AND LOSSES:									
7	\$412,018	\$384,482	(\$27,536)	-7.2%	Salaries and Wages	\$3,602,296	\$3,748,695	\$146,399	3.9%
8	\$71,713	\$87,296	\$15,583	17.9%	Employee Benefits	\$466,715	\$785,664	\$318,949	40.6%
9	\$9,320	\$0	(\$9,320)	#DIV/0!	Professional Fees	\$53,090	\$0	(\$53,090)	#DIV/0!
10	\$18,488	\$28,499	\$10,011	35.1%	Locum Tenens	\$218,033	\$256,491	\$38,458	15.0%
11	\$47,749	\$21,474	(\$26,275)	-122.4%	Supplies	\$243,046	\$211,439	(\$31,607)	-14.9%
12	\$0	\$588	\$588	100.0%	Repairs & Maintenance	\$2,191	\$3,859	\$1,668	43.2%
13	\$5,888	\$4,392	(\$1,496)	-34.1%	Utilities	\$53,043	\$40,137	(\$12,906)	-32.2%
14	\$7,094	\$8,215	\$1,121	13.6%	Insurance	\$63,176	\$73,935	\$10,759	14.6%
15	\$0	\$0	\$0	#DIV/0!	Interest	\$0	\$0	\$0	#DIV/0!
16	\$26,485	\$36,926	\$10,441	28.3%	Other Purchased Services	\$321,611	\$360,126	\$38,515	10.7%
17	\$31,086	\$33,443	\$2,357	7.0%	Leases and Rentals	\$263,912	\$300,987	\$37,075	12.3%
18	\$4,429	\$2,856	(\$1,573)	-55.1%	Depreciation & Amortization	\$22,552	\$25,704	\$3,152	12.3%
19	\$12,089	\$9,351	(\$2,738)	-29.3%	Other Expenses	\$139,617	\$179,254	\$39,637	22.1%
20	\$646,359	\$617,522	(\$28,837)	-4.7%	Total operating expenses	\$5,449,282	\$5,986,291	\$537,009	9.0%
21	(\$294,665)	(\$160,978)	(\$133,687)	-83.0%	INCOME FROM OPERATIONS	(\$1,779,917)	(\$1,899,080)	\$119,163	6.3%
22	\$0	\$0	\$0		Donations/Other	\$0	\$0	\$0	
23	\$0	\$0	\$0		Investments	\$0	\$0	\$0	
24	\$0	\$0	\$0		Non-Operating Gains/Losses	\$0	\$0	\$0	
NET REVENUE									
25	(\$294,665)	(\$160,978)	(\$133,687)	-83.0%	IN EXCESS OF EXPENSES	(\$1,779,917)	(\$1,899,080)	\$119,163	6.3%
26	-83.78%	-35.26%			Operating Profit Margin	-48.51%	-46.46%		
27	-83.78%	-35.26%			Total Profit Margin	-48.51%	-46.46%		

Taos Professional Services
Statement of Revenues and Expenses
February 2017

Line	YEAR TO DATE				PRIOR YEAR TO DATE			
	ACTUAL	BUDGET	\$ variance	% variance	ACTUAL	\$ variance	% variance	
OPERATING REVENUE AND GAINS:								
1	Gross Professional Revenue	\$8,135,463	\$8,709,448	(\$573,985)	-6.6%	\$7,268,486	\$866,977	11.9%
2	Deductions from Revenue	(\$4,483,609)	(\$4,566,737)	\$83,128	-1.8%	(\$3,872,901)	(\$610,708)	15.8%
3	Bad Debt Deduction	\$8,929	(\$56,250)	\$65,179	115.9%	\$5,217	\$3,712	71.2%
4	Net Professional Revenue	\$3,660,783	\$4,086,461	(\$425,678)	-10.4%	\$3,400,802	\$259,981	7.6%
5	Other Income	\$8,582	\$750	\$7,832	1044.3%	\$60,670	(\$52,088)	-85.9%
6	TOTAL OPERATING REVENUE	\$3,669,365	\$4,087,211	(\$417,846)	-10.2%	\$3,461,472	\$207,893	6.0%
OPERATING EXPENSES AND LOSSES:								
7	Salaries and Wages	\$3,602,296	\$3,748,695	\$146,399	3.9%	\$3,148,103	\$454,193	14.4%
8	Employee Benefits	\$466,715	\$785,664	\$318,949	40.6%	\$710,355	(\$243,640)	-34.3%
9	Professional Fees	\$53,090	\$0	(\$53,090)	#DIV/0!	(\$2,499)	\$55,589	-2224.4%
10	Locum Tenens	\$218,033	\$256,491	\$38,458	15.0%	\$256,497	(\$38,464)	-15.0%
11	Supplies	\$243,046	\$211,439	(\$31,607)	-14.9%	\$190,466	\$52,580	27.6%
12	Repairs & Maintenance	\$2,191	\$3,859	\$1,668	43.2%	\$3,771	(\$1,580)	-41.9%
13	Utilities	\$53,043	\$40,137	(\$12,906)	-32.2%	\$44,352	\$8,691	19.6%
14	Insurance	\$63,176	\$73,935	\$10,759	14.6%	\$69,778	(\$6,602)	-9.5%
15	Interest	\$0	\$0	\$0	#DIV/0!	\$0	\$0	#DIV/0!
16	Other Purchased Services	\$321,611	\$360,126	\$38,515	10.7%	\$291,206	\$30,405	10.4%
17	Leases and Rentals	\$263,912	\$300,987	\$37,075	12.3%	\$284,091	(\$20,179)	-7.1%
18	Depreciation & Amortization	\$22,552	\$25,704	\$3,152	12.3%	\$33,586	(\$11,034)	-32.9%
19	Other Expenses	\$139,617	\$179,254	\$39,637	22.1%	\$100,064	\$39,553	39.5%
20	Total operating expenses	\$5,449,282	\$5,986,291	\$537,009	9.0%	\$5,129,770	\$319,512	6.2%
21	INCOME FROM OPERATIONS	(\$1,779,917)	(\$1,899,080)	\$119,163	6.3%	(\$1,668,298)	(\$111,619)	6.7%
22	Donations/Other	\$0	\$0	\$0		\$0	\$0	
23	Investments	\$0	\$0	\$0		\$0	\$0	
24	Non-Operating Gains/Losses	\$0	\$0	\$0		\$0	\$0	
NET REVENUE								
25	IN EXCESS OF EXPENSES	(\$1,779,917)	(\$1,899,080)	\$119,163	6.3%	(\$1,668,298)	(\$111,619)	6.7%
26	Operating Profit Margin	-48.51%	-46.46%			-48.20%		
27	Total Profit Margin	-48.51%	-46.46%			-48.20%		

**Taos Professional Services
Statement of Changes in Cash
For the Period Ended February 28, 2017**

	CURRENT MONTH	YEAR-TO- DATE
1 NET INCOME	(\$294,665)	(\$1,779,917)
Add Back Non Cash Items:		
2 Depreciation & Amortization	4,429	22,552
3 Cash Provided By Operations	(290,236)	(1,757,365)
Changes In W/C Other Than Cash:		
4 Accounts Receivable	103,063	52,991
5 Allow. For Uncollectables	(1,109)	(8,651)
6 Allow. For Contr. Adj.	(52,835)	(42,419)
7 Other Receivables	1,548	13,159
8 Due From Third Parties	0	0
9 Inventory	0	0
10 Prepaid Expenses	2,058	(66,187)
11 Accounts Payable	91,219	3,980
12 Other Accrued Liabilities	249,572	1,920,943
13 Current Portion LTD	0	0
14 Subtotal	<u>393,516</u>	<u>1,873,816</u>
15 W/C Provided By Operations:	<u>103,280</u>	<u>116,451</u>
Other Sources:		
16 Fixed Assets Sold	0	0
17 Equity Adjustments	1	1
18 Funded Depreciation	0	0
19 Restricted Funds	0	0
20 Bond Issuance Costs	0	0
21 Subtotal	<u>1</u>	<u>1</u>
22 Total Sources Of Cash	<u>103,281</u>	<u>116,452</u>
Applications:		
23 Purchase Of Fixed Assets	126,496	471,436
24 Other Assets Acquired	0	0
25 Payable & Deferred Liabilities	0	0
26 Equity in net assets of affiliates	0	0
27 Third Party Settlements	0	0
28 Total Applications Of Funds	<u>126,496</u>	<u>471,436</u>
29 Net Change In Cash	(23,215)	(354,984)
30 Beginning Cash	<u>386,635</u>	<u>718,405</u>
31 Ending Cash	<u>\$363,420</u>	<u>\$363,420</u>

**Taos Health Systems
HCH and TPS Consolidated
Balance Sheet
February 28, 2017**

Line	Assets	CURRENT MONTH	PRIOR MONTH	PRIOR YEAR	Difference
1	Cash & Cash Equivalents	\$4,128,876	\$4,799,081	\$3,147,667	(670,205)
2	Patient Accounts Receivable, net of Estimated Uncollectable of \$10,159,499	\$6,060,528	\$6,014,022	\$5,279,795	46,506
3	Inventories	\$1,478,602	\$1,499,313	\$1,692,913	(20,711)
4	Prepaid Expenses	\$1,005,660	\$970,809	\$1,074,365	34,851
5	Other Receivables	<u>\$2,719,879</u>	<u>\$2,079,834</u>	<u>\$1,296,062</u>	<u>640,045</u>
6	Total Current Assets	<u>\$15,393,544</u>	<u>\$15,363,059</u>	<u>\$12,490,802</u>	<u>30,486</u>
7	Other assets limited as to use	\$1,671,244	\$1,925,411	\$1,793,029	(254,167)
	Other Long Term Assets	\$0	\$0	\$0	0
8	Equity in Net Assets of Affiliates	<u>\$50,188</u>	<u>\$50,188</u>	<u>\$33,063</u>	<u>0</u>
9	Total Other Assets	<u>\$1,721,432</u>	<u>\$1,975,599</u>	<u>\$1,826,092</u>	<u>(254,167)</u>
	PROPERTY AND EQUIPMENT:				
10	Furniture, fixtures and equipment, net	<u>\$15,030,830</u>	<u>\$15,009,350</u>	<u>\$15,849,319</u>	<u>21,480</u>
11	TOTAL ASSETS	<u>\$32,145,806</u>	<u>\$32,348,008</u>	<u>\$30,166,213</u>	<u>(\$202,202)</u>
	Liabilities and Fund Balance				
	CURRENT LIABILITIES:				
12	Accounts Payable	\$2,254,093	\$2,465,163	\$3,968,204	(211,070)
13	Deferred Revenue	(\$2,824)	(\$2,824)	(\$2,447)	0
14	Accrued liabilities	\$5,808,668	\$5,481,936	\$2,513,430	326,732
15	Due to 3rd Party Payors	\$35,318	\$35,318	\$19,637	0
16	Current Portion Capital Leases	\$62,314	\$79,674	\$157,990	(17,360)
17	Current Portion LTD	<u>\$532,230</u>	<u>\$531,078</u>	<u>\$870,549</u>	<u>1,152</u>
18	Total current liabilities	<u>\$8,689,798</u>	<u>\$8,590,345</u>	<u>\$7,527,363</u>	<u>99,454</u>
	LONG-TERM DEBT:				
19	Leases Payable	\$552,540	\$552,540	\$774,216	0
20	Notes Payable	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>0</u>
21	Total Long-Term Debt	<u>\$552,540</u>	<u>\$552,540</u>	<u>\$774,216</u>	<u>0</u>
22	RESTRICTED FUND BALANCE				0
23	UNRESTRICTED NET ASSETS	<u>\$22,903,469</u>	<u>\$23,205,125</u>	<u>\$21,864,635</u>	<u>(301,656)</u>
24	TOTAL LIABILITIES AND FUND BALANCES	<u>\$32,145,806</u>	<u>\$32,348,008</u>	<u>\$30,166,213</u>	<u>(\$202,202)</u>

Taos Health Systems
HCH and TPS Consolidated
Statement of Revenues and Expenses
February 2017

Line	CURRENT MONTH					YEAR TO DATE			
	ACTUAL	BUDGET	\$ variance	% Variance		ACTUAL	BUDGET	\$ variance	% Variance
1	1,931	1,643	288	17.5%	ADJUSTED PATIENT DAYS	14,927	15,153	(226)	-1.5%
OPERATING REVENUE AND GAINS:									
2	\$2,446,259	\$2,387,256	\$59,003	2.5%	In-Patient Revenue	\$21,632,606	\$21,692,763	(\$60,157)	-0.3%
3	\$8,237,941	\$7,929,272	\$308,669	3.9%	Out-Patient Revenue	\$71,603,864	\$72,100,647	(\$496,783)	-0.7%
4	\$10,684,200	\$10,316,528	\$367,672	3.6%	Gross Patient Revenue	\$93,236,470	\$93,793,410	(\$556,940)	-0.6%
5	(\$6,070,566)	(\$5,789,251)	(\$281,315)	-4.9%	Deductions from Revenue	(\$52,334,794)	(\$52,784,841)	\$450,047	0.9%
6	(\$191,161)	(\$349,663)	\$158,502	45.3%	Bad Debt Deductions	(\$2,127,862)	(\$3,301,504)	\$1,173,642	35.5%
7	\$4,422,473	\$4,177,614	\$244,859	5.9%	Net Patient Revenue	\$38,773,814	\$37,707,065	\$1,066,749	2.8%
8	\$558,839	\$655,651	(\$96,812)	-14.8%	Other Income	\$5,961,605	\$5,959,847	\$1,758	0.0%
9	\$4,981,312	\$4,833,265	\$148,047	3.1%	TOTAL OPERATING REVENUE	\$44,735,419	\$43,666,912	\$1,068,507	2.4%
OPERATING EXPENSES AND LOSSES:									
10	\$2,184,225	\$2,015,977	(\$168,248)	-8.3%	Salaries and Wages	\$19,914,698	\$19,655,807	(\$258,891)	-1.3%
11	\$431,468	\$442,802	\$11,334	2.6%	Employee Benefits	\$3,820,086	\$3,993,218	\$173,132	4.3%
12	\$100,395	\$102,543	\$2,148	2.1%	Professional Fees	\$999,223	\$990,489	(\$8,734)	-0.9%
13	\$100,003	\$93,308	(\$6,695)	-7.2%	Locum Tenens	\$967,187	\$888,377	(\$78,810)	-8.9%
14	\$832,394	\$646,555	(\$185,839)	-28.7%	Supplies	\$6,489,275	\$5,515,642	(\$973,633)	-17.7%
15	\$170,447	\$91,433	(\$79,014)	-86.4%	Repairs & Maintenance	\$856,646	\$918,002	\$61,356	6.7%
16	\$66,481	\$57,839	(\$8,642)	-14.9%	Utilities	\$606,786	\$552,801	(\$53,985)	-9.8%
17	\$19,088	\$108,789	\$89,701	82.5%	Insurance	\$712,034	\$979,101	\$267,067	27.3%
18	\$3,837	\$5,208	\$1,371	26.3%	Interest	\$37,978	\$46,872	\$8,894	19.0%
19	\$767,572	\$675,309	(\$92,263)	-13.7%	Other Purchased Services	\$6,396,031	\$5,740,681	(\$655,350)	-11.4%
20	\$111,646	\$112,241	\$595	0.5%	Leases and Rentals	\$986,380	\$1,010,169	\$23,789	2.4%
21	\$146,677	\$200,449	\$53,772	26.8%	Depreciation & Amortization	\$1,291,508	\$1,545,066	\$253,558	16.4%
22	\$101,897	\$159,012	\$57,115	35.9%	Other Expenses	\$1,106,226	\$1,471,479	\$365,253	24.8%
23	\$5,036,130	\$4,711,465	(\$324,665)	-6.9%	Total operating expenses	\$44,184,058	\$43,307,704	(\$876,354)	-2.0%
24	(\$54,818)	\$121,800	(\$176,618)	-145.0%	INCOME FROM OPERATIONS	\$551,361	\$359,208	\$192,153	53.5%
25	\$145	\$159	(\$14)	-8.8%	Donations/Other	\$983	\$1,499	(\$516)	-34.4%
26	(\$5,035)	\$18,891	(\$23,926)	-126.7%	Investments	\$84,400	\$174,933	(\$90,533)	-51.8%
27	(\$4,890)	\$19,050	(\$23,940)	-125.7%	Non-Operating Gains/Losses	\$85,383	\$176,432	(\$91,049)	-51.6%
NET REVENUE									
28	(\$59,708)	\$140,850	(\$200,558)	-142.4%	IN EXCESS OF EXPENSES	\$636,744	\$535,640	\$101,104	18.9%
29	-1.10%	2.52%			Operating Profit Margin	1.23%	0.82%		
30	-1.20%	2.91%			Total Profit Margin	1.42%	1.23%		

Taos Health Systems
HCH and TPS Consolidated
Statement of Revenues and Expenses
February 2017

Line	YEAR TO DATE				YEAR TO DATE		
	ACTUAL	BUDGET	\$ variance	% Variance	ACTUAL	\$ variance	% Variance
1 ADJUSTED PATIENT DAYS	14,927	15,153	(226)	-1.5%	14,899	\$28	0.2%
OPERATING REVENUE AND GAINS:							
2 In-Patient Revenue	\$21,632,606	\$21,692,763	(\$60,157)	-0.3%	\$21,423,892	\$208,714	1.0%
3 Out-Patient Revenue	\$71,603,864	\$72,100,647	(\$496,783)	-0.7%	\$66,359,953	\$5,243,911	7.9%
4 Gross Patient Revenue	\$93,236,470	\$93,793,410	(\$556,940)	-0.6%	\$87,783,845	\$5,452,625	6.2%
5 Deductions from Revenue	(\$52,334,794)	(\$52,784,841)	\$450,047	0.9%	(\$48,374,863)	(\$3,959,931)	8.2%
6 Bad Debt Deductions	(\$2,127,862)	(\$3,301,504)	\$1,173,642	35.5%	(\$3,190,798)	\$1,062,936	-33.3%
7 Net Patient Revenue	\$38,773,814	\$37,707,065	\$1,066,749	2.8%	\$36,218,184	\$2,555,630	7.1%
8 Other Income	\$5,961,605	\$5,959,847	\$1,758	0.0%	\$5,073,864	\$887,741	17.5%
9 TOTAL OPERATING REVENUE	<u>\$44,735,419</u>	<u>\$43,666,912</u>	<u>\$1,068,507</u>	2.4%	<u>\$41,292,048</u>	<u>\$3,443,371</u>	8.3%
OPERATING EXPENSES AND LOSSES:							
10 Salaries and Wages	\$19,914,698	\$19,655,807	(\$258,891)	-1.3%	\$18,175,741	\$1,738,957	9.6%
11 Employee Benefits	\$3,820,086	\$3,993,218	\$173,132	4.3%	\$3,576,140	\$243,946	6.8%
12 Professional Fees	\$999,223	\$990,489	(\$8,734)	-0.9%	\$952,631	\$46,592	4.9%
13 Locum Tenens	\$967,187	\$888,377	(\$78,810)	-8.9%	\$993,402	(\$26,215)	-2.6%
14 Supplies	\$6,489,275	\$5,515,642	(\$973,633)	-17.7%	\$5,465,882	\$1,023,393	18.7%
15 Repairs & Maintenance	\$856,646	\$918,002	\$61,356	6.7%	\$823,322	\$33,324	4.0%
16 Utilities	\$606,786	\$552,801	(\$53,985)	-9.8%	\$542,069	\$64,717	11.9%
17 Insurance	\$712,034	\$979,101	\$267,067	27.3%	\$740,487	(\$28,453)	-3.8%
18 Interest	\$37,978	\$46,872	\$8,894	19.0%	\$56,034	(\$18,056)	-32.2%
19 Other Purchased Services	\$6,396,031	\$5,740,681	(\$655,350)	-11.4%	\$5,719,858	\$676,173	11.8%
20 Leases and Rentals	\$986,380	\$1,010,169	\$23,789	2.4%	\$1,018,706	(\$32,326)	-3.2%
21 Depreciation & Amortization	\$1,291,508	\$1,545,066	\$253,558	16.4%	\$1,642,407	(\$350,899)	-21.4%
22 Other Expenses	\$1,106,226	\$1,471,479	\$365,253	24.8%	\$1,040,928	\$65,298	6.3%
23 Total operating expenses	<u>\$44,184,058</u>	<u>\$43,307,704</u>	<u>(\$876,354)</u>	-2.0%	<u>\$40,747,607</u>	<u>\$3,436,451</u>	8.4%
24 INCOME FROM OPERATIONS	<u>\$551,361</u>	<u>\$359,208</u>	<u>\$192,153</u>	53.5%	<u>\$544,442</u>	<u>\$6,919</u>	1.3%
25 Donations/Other	\$983	\$1,499	(\$516)	-34.4%	\$1,111	(\$128)	-11.5%
26 Investments	\$84,400	\$174,933	(\$90,533)	-51.8%	\$109,998	(\$25,598)	-23.3%
27 Non-Operating Gains/Losses	<u>\$85,383</u>	<u>\$176,432</u>	<u>(\$91,049)</u>	-51.6%	<u>\$111,109</u>	<u>(\$25,726)</u>	-23.2%
NET REVENUE							
28 IN EXCESS OF EXPENSES	<u>\$636,744</u>	<u>\$535,640</u>	<u>\$101,104</u>	18.9%	<u>\$655,551</u>	<u>(\$18,807)</u>	-2.9%
29 Operating Profit Margin	<u>1.23%</u>	<u>0.82%</u>			<u>1.32%</u>		
30 Total Profit Margin	<u>1.42%</u>	<u>1.23%</u>			<u>1.59%</u>		

TAOS HEALTH SYSTEMS
HCH and TPS Consolidated
Statement of Changes in Cash
February 28, 2017

	<u>CURRENT MONTH</u>	<u>YEAR-TO- DATE</u>
1 NET INCOME	(\$59,708)	\$636,744
Add Back Non Cash Items:		
2 Depreciation & Amortization	<u>146,677</u>	<u>1,291,508</u>
3 Cash Provided By Operations	<u>86,969</u>	<u>1,928,252</u>
Changes In W/C Other Than Cash:		
4 Accounts Receivable	(146,412)	(1,820,124)
5 Allow. For Uncollectables	81,303	(244,666)
6 Allow. For Contr. Adj.	18,603	691,040
7 Other Receivables	(640,045)	(1,430,119)
8 Due From Third Parties	0	0
9 Inventory	20,711	43,982
10 Prepaid Expenses	(34,851)	(141,582)
11 Accounts Payable	(211,070)	(646,452)
12 Other Accrued Liabilities	326,732	3,500,168
13 Current Portion LTD	(16,208)	(152,626)
14 Subtotal	(601,237)	(200,379)
15 W/C Provided By Operations:	(514,268)	1,727,873
Other Sources:		
16 Fixed Assets Sold	0	0
17 Equity Adjustments	(241,948)	(184,316)
18 Funded Depreciation	0	0
19 Restricted Funds	254,167	37,599
20 Bond Issuance Costs	<u>0</u>	<u>0</u>
21 Subtotal	<u>12,219</u>	(146,717)
22 Total Sources Of Cash	(502,049)	1,581,156
Applications:		
23 Purchase Of Fixed Assets	168,157	1,202,312
24 Other Assets Acquired	0	0
25 Payable & Deferred Liabilities	0	355
26 Equity in net assets of affiliates	0	17,125
27 Third Party Settlements	<u>0</u>	(32,379)
28 Total Applications Of Funds	<u>168,157</u>	<u>1,187,413</u>
29 Net Change In Cash	(670,206)	393,743
30 Beginning Cash	<u>4,799,081</u>	<u>3,735,136</u>
31 Ending Cash	<u>\$4,128,876</u>	<u>\$4,128,876</u>