

**SHERIDAN MEMORIAL HOSPITAL**  
**FY 2014 OPERATING BUDGET**  
**SUMMARY INCOME STATEMENTS**

	HOSPITAL	BHNN	CONSOLIDATED
<b>GROSS PATIENT REVENUES</b>			
Inpatient	39,730,243	4,008,115	43,738,358
Transitional Care	82,452		82,452
Outpatient	49,977,002	14,624,567	64,601,569
Emergency Services	11,631,354	12,856	11,644,210
Other	498,123	221,607	719,730
<b>Total Gross Patient Revenues</b>	<b>101,919,175</b>	<b>18,867,145</b>	<b>120,786,320</b>
<b>DEDUCTIONS FROM REVENUE</b>			
3rd Party Adjustments	33,134,585	7,313,040	40,447,626
Discounts	3,866,648	46,194	3,912,841
Other Adjustments	1,170,908	292,613	1,463,520
<b>TOTAL ADJUSTMENTS</b>	<b>38,172,141</b>	<b>7,651,846</b>	<b>45,823,987</b>
Bad debts	5,301,789	390,997	5,692,785
Charity Care Discounts	1,790,173	230,240	2,020,413
<b>TOTAL LOST REVENUE</b>	<b>7,091,962</b>	<b>621,237</b>	<b>7,713,199</b>
<b>Total Deductions from Revenue</b>	<b>45,264,103</b>	<b>8,273,083</b>	<b>53,537,186</b>
<b>OTHER OPERATING REVENUE</b>			
Other revenues	748,910		748,910
Total Other Operating Revenue	748,910	-	748,910
<b>TOTAL NET REVENUES</b>	<b>57,403,982</b>	<b>10,594,062</b>	<b>67,998,044</b>
<b>OPERATING EXPENSES</b>			
<b>Fixed Expenses:</b>			
Salaries	23,521,463	10,075,385	33,596,848
Contract labor	156,000	19,680	175,680
Benefits	6,079,550	1,591,770	7,671,320
Depreciation	6,254,779	412,830	6,667,609
Interest	5,000		5,000
Insurance	514,583	126,994	641,577
<b>Variable Expenses:</b>			
Supplies	10,350,408	393,252	10,743,660
Professional services	5,890,737	852,984	6,743,721
Education and professional development	204,125	45,879	250,004
Utilities and maintenance	1,432,468	96,591	1,529,059
Miscellaneous	936,508	565,328	1,501,836
	<b>55,345,622</b>	<b>14,180,693</b>	<b>69,526,315</b>
Net Operating Income - Hosp	2,058,360	(3,586,631)	(1,528,271)
Net Operating Income - Other	1,000,000	-	1,000,000
<b>HOSPITAL NET OPERATING INCOME</b>	<b>3,058,360</b>	<b>(3,586,631)</b>	<b>(528,271)</b>
Employee Gainsharing Accrual			-
<b>HOSPITAL OPERATING INCOME</b>	<b>3,058,360</b>	<b>(3,586,631)</b>	<b>(528,271)</b>
<b>OTHER NON-OPERATING REVENUE</b>			
County contributions	-		-
Investment revenues	70,000		70,000
Rental income	100,000		100,000
Charitable gifts	1,400,000		1,400,000
Miscellaneous	120,000		120,000
Total Non-operating Revenue	<b>1,690,000</b>	-	<b>1,690,000</b>
<b>NET INCOME / (LOSS)</b>	<b>4,748,360</b>	<b>(3,586,631)</b>	<b>1,161,729</b>
Operating Margin	5.33%	-33.86%	-0.78%
Net Margin	8.27%	-33.86%	1.71%
Net Income	4.66%	-19.01%	0.96%

**SHERIDAN MEMORIAL HOSPITAL**  
**FYE 6/30/14 Budget**  
**Capital Funding & Bond Covenant Analysis**

	Current Projection FY 2013	BUDGET FY 2014
Net Income	(1,600,000)	1,161,729
Plus Additional Debt Service Contributions		
Plus Depreciation and Bond Interest Included in Net Income:		
Depreciation	6,008,529	6,667,609
Bond Interest		
Net Available Working Capital	4,408,529	7,829,338
Annual Debt Service		-
Funds Available After Debt Service		<b>7,829,338</b>
Estimated Employee Gainsharing		-
Estimated Funds Available for Capital Expenditures		<b>7,829,338</b>
Estimated New Routine Capital Expenditures		(909,515)
Carryover of Major Capital Projects from Current Year		(300,000)
<b>PROJECTED TOTAL WORKING CAPITAL AT YEAR-END</b>		<b>6,619,823</b>

# FREE CASH FLOW MODEL FOR CAPITAL BUDGET

## FY 2014 CAPITAL BUDGET

Based on Annualized FY 2013 Operating Results

**Things we need capital for:**

- (1) Contingency fund to support operations, if necessary
- (2) Purchase new and replacement capital equipment
- (3) Remodels and expansion of building space
- (4) New project (Urgent Care, Cardio, Big MAC, land purchases, etc.)
- (5) Debt service on bonds

Projected net income *	\$ (1,600,000)
Add: depreciation expense *	6,008,529
Less: debt service	-
Net free cash flow	<u>\$ 4,408,529</u>
Less gainsharing *	
Net available for future investment	<u>\$ 4,408,529</u>
Percentage for capital budget	30.0%
Max available funds for new equip & remodels	<u><b>\$ 1,322,559</b></u>

\* projected from operational results through May 2013