

CITY OF WILLMAR, MINNESOTA
REQUEST FOR COMMITTEE ACTION

Agenda Item Number: 3

Meeting Date: March 9, 2015

Attachments: Yes No

CITY COUNCIL ACTION

Date: March 16, 2015

- Approved Denied
- Amended Tabled
- Other

Originating Department: Finance

Agenda Item: Rice Memorial Hospital 12/31/2014 and 01/31/15 Financial Reports

Recommended Action: To receive the written and oral financial reports as of 12/31/14 and 01/31/15 for Rice Memorial Hospital for review and comment. Introduce a motion to accept the report and direct staff to place on file for future reference.

Background/Summary: Rice Memorial Hospital staff provides a quarterly report of the Hospital's financial status to the Finance Committee for comment.

Alternatives: Hold the report for further review.

Financial Considerations: Not Applicable.

Preparer: Steve Okins, Finance Director

Signature: 

Comments:

Rice Memorial Hospital
 Financial Statements
 December 31, 2014
Executive Summary

December was a positive month in terms of actual financial performance with Rice generating a gain on operations. Total Patient Revenues were 8.4% greater than the three-month average in December with Total Operating Revenues 16.6% greater and Net Operating Expenses 8.2% greater yielding Net Operating Income of \$600,000 for the month. YTD Operating Loss decreased to \$2.9 million compared to last year's YTD loss of \$3.0 million. Increased patient activity and performance across the entities along with the Meaningful Use funding contributed to the positive performance.

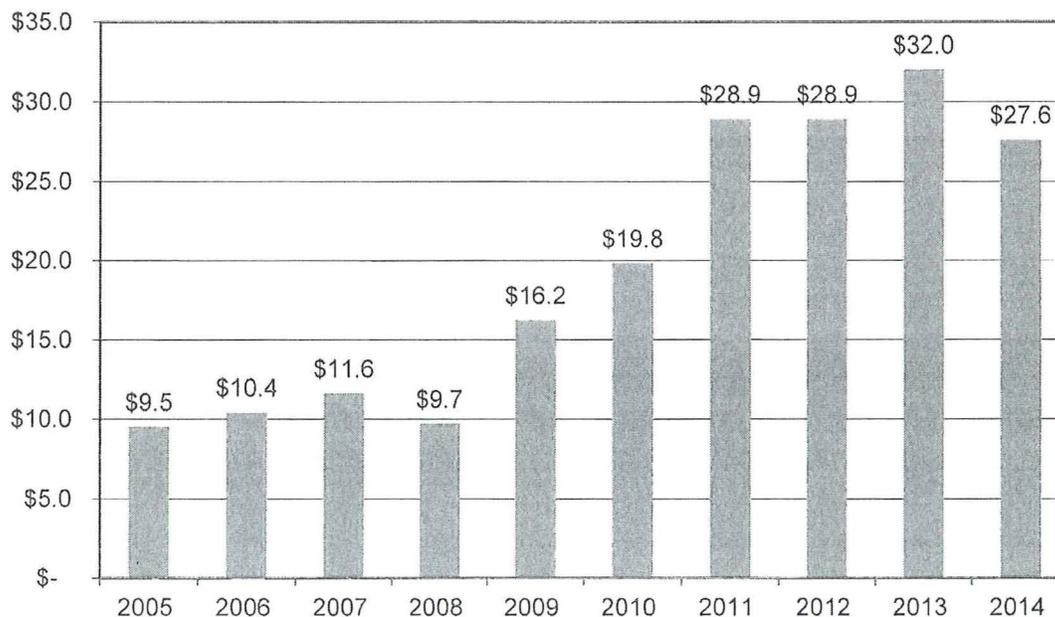
Here is a summary of key financial indicators:

	<u>Actual</u>	<u>Target</u>	<u>2013</u>	<u>2012</u>	<u>Benchmark</u>	<u>Actual - YTD</u>	<u>Desired</u>
Operating Margin-Month	6.7%	2.0%				↑	↑
Operating Margin-YTD	-3.3%	2.0%	-3.2%	1.4%	2.2%	↓	
Excess Margin-Month	7.8%	2.5%				↑	
Excess Margin-YTD	-1.8%	2.5%	-3.6%	2.4%	2.8%	↓	
EBIDA Margin-Month	12.6%	12.6%				↑	
EBIDA Margin-YTD	7.1%	12.6%	7.0%	11.6%	10.8%	↓	
Debt/Capitalization	45.8%	43.3%	46.3%	43.3%	38.7%	↔	↓
Net Days of Receivables	53	46	52	64	46	↑	↓
Days of Cash	116	117	128	114	131	↔	↑
Cash/Debt	57%	68%	64%	63%	87%	↓	↑

December 31, 2014 Balance Sheet:

The December Balance Sheet realized a decrease in Net Assets of \$931,000 from December 31, 2013. Total Assets have decreased \$2.5 million while Total Liabilities have decreased \$1.6 million. The Total Asset decrease was due to a decrease in Current Assets of \$6.4 million; an increase in Assets Limited as to Use of \$306,000; an increase in Property, Plant, and Equipment of \$569,000; and an increase in Other Assets of \$3.0 million. The decrease in Current Assets was due to decreases in Cash due to poor financial performance and transfers to Investments. The decrease was partially offset by increases in Receivables and Bond Reserves. Assets Limited as to Use increased due to Bond Reserves and the Rice Trust market value increases. Property, Plant, and Equipment has increased due to the Care Center Project and Home Medical projects. Other Assets have increased due to General Investment transfers from Cash and the investment in Willmar Medical Services. Cash & General Investments have decreased \$4.3 million since December 31, 2013 due to negative Operations and construction project payments.

**Cash & General Investments
(\$millions)**

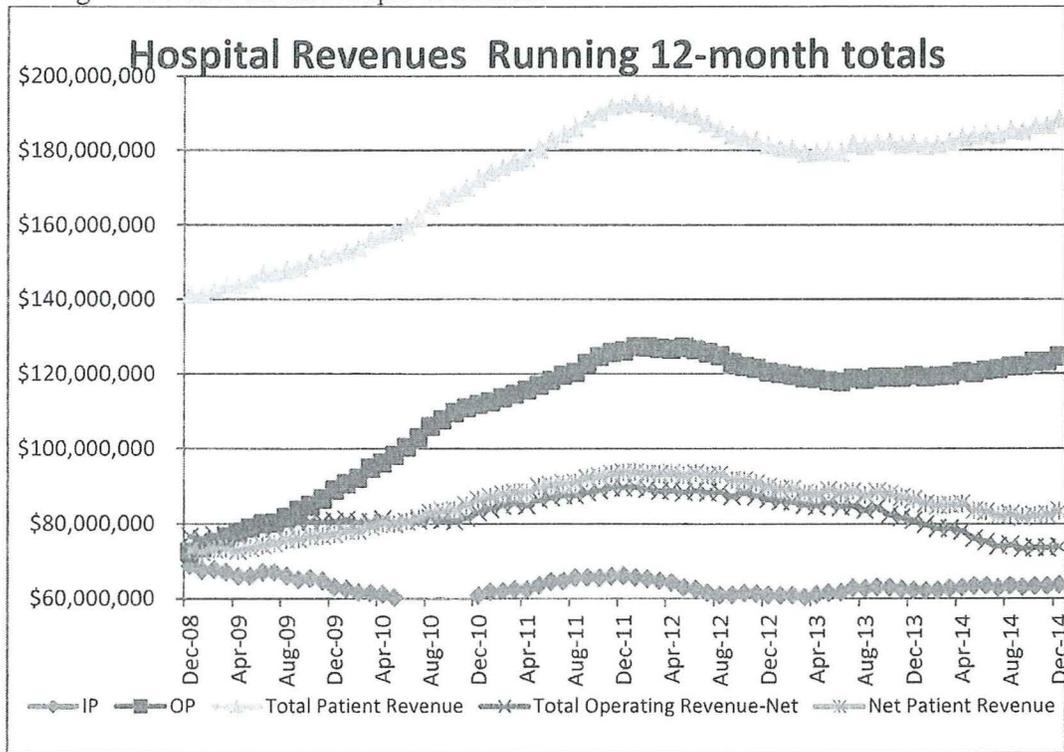


Liabilities have decreased due to Debt Service payments but offset by an increase in Current Liabilities. In the Net Asset section, Debt Service Reserves have increased with the 2013 Bond Issue and an increase in the Endowment from the Rice Trust.

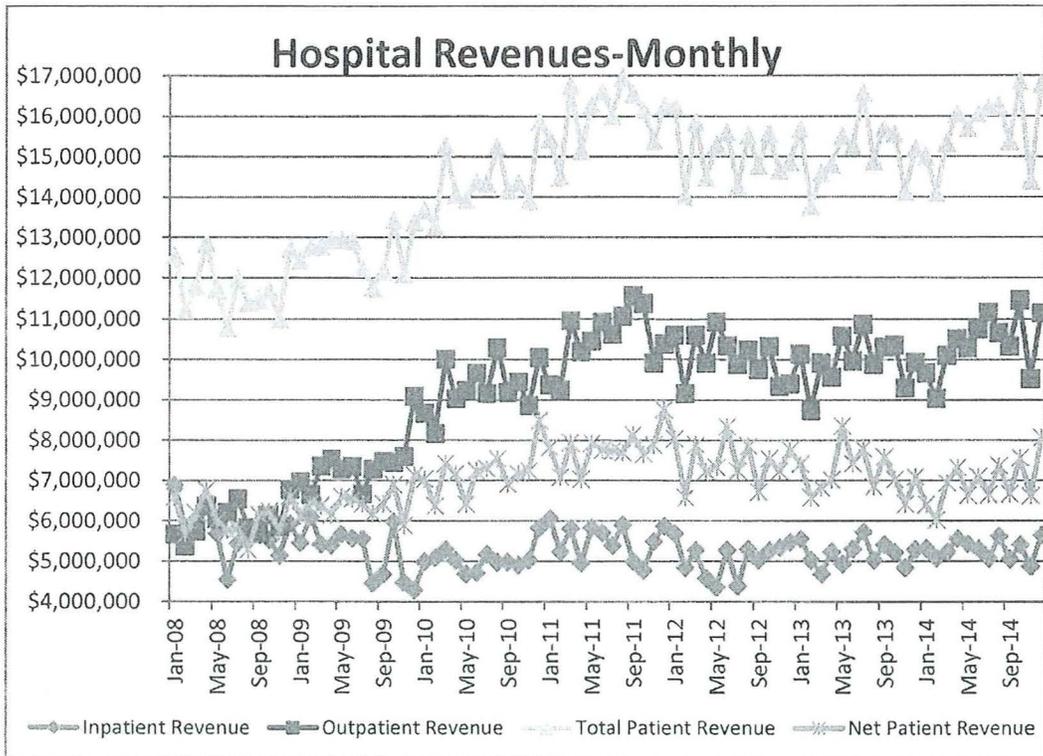
December 2014 Results:

The overall Net Operating Income was \$600,000 compared to the prior three-month average Operating Loss of \$46,000. Total Patient Revenues were 8.4% higher than the 3-month average while Total Operating Revenues were 16.6% higher than the average. Hospital Total Operating Revenues were 18.5% higher than the average with Inpatient Revenues 10.3% higher than average and Outpatient Revenues 6.8% higher than the average. As shown in the graph below, Total Patient Revenues have been trending

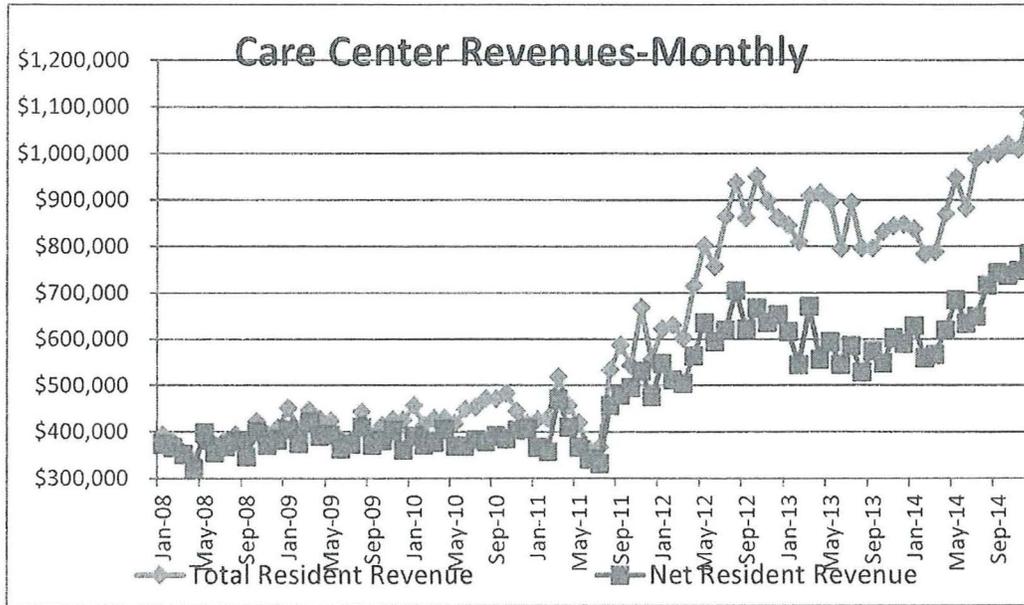
upward for the past year but Total Operating Revenue has continued its downward trend, although it is flatter the last couple of months.



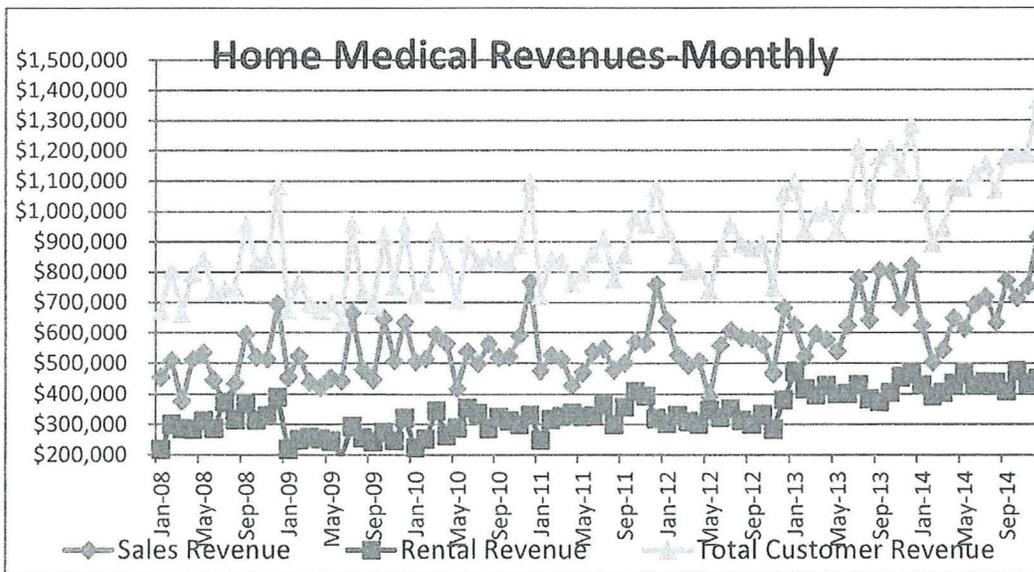
The monthly Hospital Revenues increased significantly in December after a softer November. The Total Patient and Outpatient Revenue lines had been trending up the last few months with Inpatient Revenues relatively flat over the past year.



Care Center Total Operating Revenues were higher than average by 5.8% for the month with Total Resident Revenues nearing the \$1.1 million level.



Home Medical Total Customer Revenues increased significantly in December exceeding \$1.3 million. Sales Revenues increased by \$170,000 in December while Rental Revenues were only slightly higher.



Total Deductions from Revenue were 2.5% greater than the three-month average which was due to increased patient activity, improved reimbursement, and estimated third-party cost reports. The Hospital's reimbursement rate for the month was 48.09% compared to the 2013 rate of 46.57%; 2014 YTD rate of 44.31%; and the 4th Quarter rate of 46.32%. Uncompensated Care more than doubled in December compared to average while Bad Debts were 38.0% less than the average.

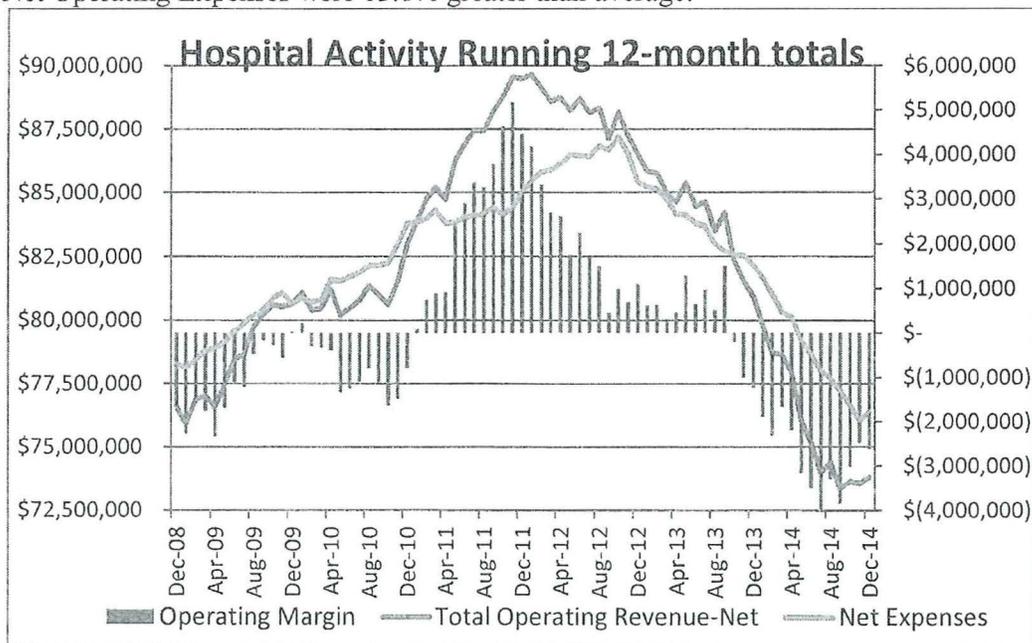
Other operating revenues were 0.8% greater than the average due to Meaningful Use funding but offset by lower than anticipated WMS profitability. Net WMS activity at Rice was less than the average by 0.5% due to lower patient activity.

Net Expenses were \$8.4 million, 8.2% greater than the three-month average. Expenses were mixed for the month with Salaries 6.1% (\$226,000) greater than average, Contract Labor 7.1% (\$23,000) less than average, and Benefits 20.7% (\$219,000) greater than average. Salaries were higher due to increased activity, year-end accruals, and 4th Quarter incentives; Contract Labor was less due to lower Hospital contracted services; and Benefits were higher due to health insurance costs. The Hospital Compensation Ratio was 50.5% for the month compared to the target of 51% and the YTD ratio of 55.5%.

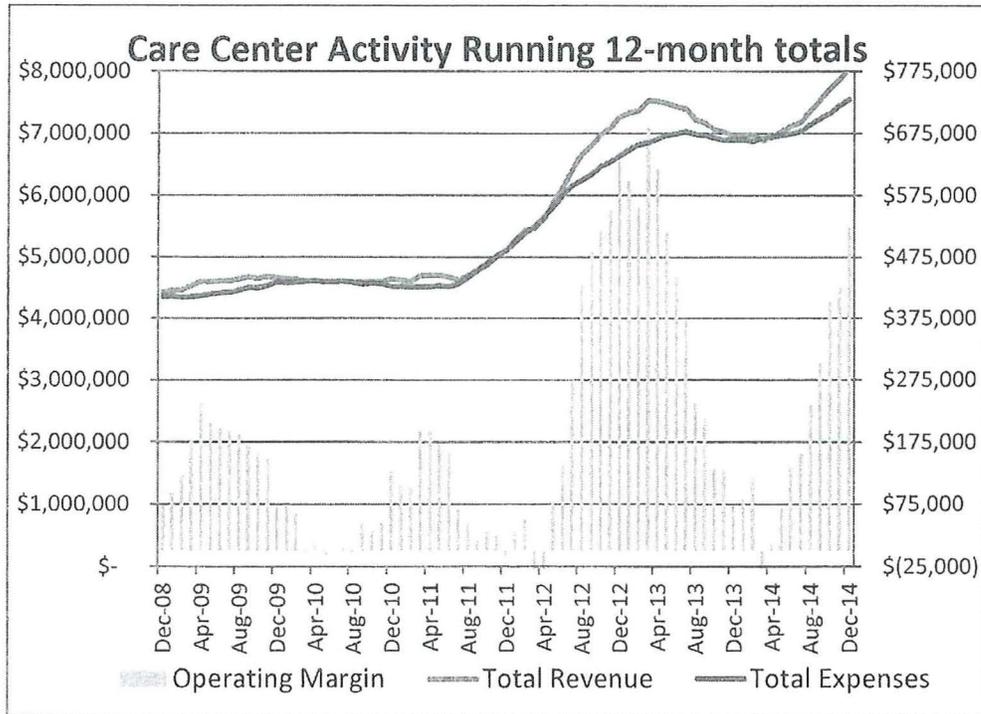
Supplies were 29.3% (\$320,000) higher than average due to Surgery activity and Home Medical sales. Drugs were 15.6% (\$95,000) greater than average due to patient activity. Purchased Services were 20.3% (\$126,000) higher due to numerous departmental activity and Legal Fees; Repairs & Rentals 1.8% (\$5,000) higher due to numerous departments; Utilities 2.6% lower; Insurance 8.9% lower; Patient Related Travel 19.7% lower; Education, Travel, and Dues 25.5% higher due to expensing of annual dues paid; and Other 32.4% lower. Total Hospital Controllable Costs were \$7.5 million, a 12.8% increase from the average, which was mostly attributable to the increased patient activity. Capital Costs were lower with Depreciation 38.0% lower due to a Home Medical adjustment. Taxes were 19.8% lower due to a MN Care Tax reconciliation.

Non-operating activity was lower than the three-month average by \$27,000. Investment Income was significantly higher due to the quarterly reconciliation of funds and activity on deposit with the City. Unrealized Gains/Losses were \$50,000 lower.

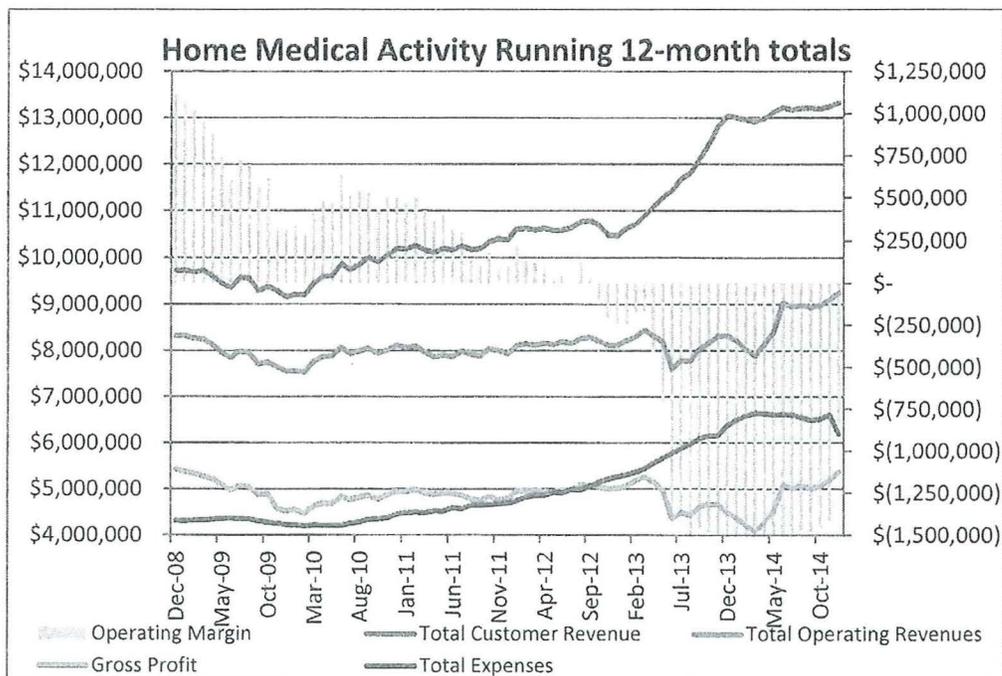
The Hospital generated Operating Income of \$248,000 compared to average Operating Losses of \$81,000. Total Operating Revenues were higher than average by 18.5% while Net Operating Expenses were 13.0% greater than average.



Care Center activity generated Operating Income of \$95,000 compared to average Operating Income of \$79,000. Net Resident Revenues were 5.5% higher than average with Net Operating Expenses 4.1% higher than average.



Home Medical activity generated Operating Income of \$260,000 compared to average Operating Losses of \$38,000. Total Operating Revenues were 12.3% higher than average while Expenses were 21.8% lower than average. Increased Sales activity along with a Depreciation adjustment contributed to the positive results.



December YTD Summary

The YTD Operating Loss was \$2.9 million compared to last year's Operating Loss of \$3.0 million and 2012 YTD Operating Income of \$1.4 million. Results were positive in the 4th Quarter after improved results in the 3rd Quarter compared to 2nd Quarter 2014 and significantly improved from 1st Quarter 2014 and 4th Quarter 2013. Total Operating Revenues were 3.6% less in 2014 compared to 2013 and 8.8% less than 2012. Hospital Inpatient and Outpatient Revenues have increased slightly over the past two years but this was mainly attributed to the annual 3% rate increases. Inpatient Revenues were 2.2% higher than 2013 and 4.6% higher than 2012. Outpatient Revenues were 4.3% higher than 2013 and 3.5% higher than 2012. Care Center Revenues were 10.1% higher than 2013 and 18.0% higher than 2012. Home Medical Revenues were 2.2% higher than last year and 27.4% higher than 2012.

The Revenue increases were offset by reimbursement decreases experienced by the Hospital prior to 4th Quarter. Consolidated Deductions from Revenues were 6.7% higher than 2013 and 14.3% higher than 2012. With a minimal increase in Patient Revenues of 3.8%, the increases in Deductions from Revenues have pushed down Net Patient Revenues to a 0.8% increase from 2013 and 2.4% decrease from 2012. Further compounding these negative trends was the lower than projected WMS performance, which lowered Other Operating Revenues by 15.6% from 2013 and 16.6% from 2012. WMS activity at Rice which transfers net revenues back to WMS has increased 6.5% from 2013 and 16.3% from 2012 due to Imaging activity and the transfer of Anesthesia and Sleep Services.

On a positive note, Expenses have also trended downward but at slower rate than Revenues. 2014 Net Operating Expenses were 3.5% lower than 2013 and 4.4% less than 2012. Expense reductions have been realized in Salaries (1.0% lower than 2013/1.3% higher than 2012), Supplies (1.2%/3.2% higher), Drugs (15.5%/27.7% lower), Repairs (0.9%/7.4% higher), Insurance (2.5%/2.5% lower); Patient Related Travel (12.8%/8.2% lower), and Education & Travel (9.7%/7.1% lower). Expense increases have been realized in Contract Labor (13.6%/5.2% higher) (Medical Oncology and Care Center Therapy), Benefits (0.4%/2.9% higher) (Health Insurance), Purchased Services (17.9%/3.8% higher) (Oncology, Legal Fees, and Other Departments), Utilities (4.5%/5.9% higher), Other (13.9%/17.1% lower) (Community Benefits), Depreciation (4.4%/6.3% higher) (Construction Projects), Interest (10.1%/8.3% higher) (2013 Bond Issue), and Taxes (0.0%/6.8% higher).

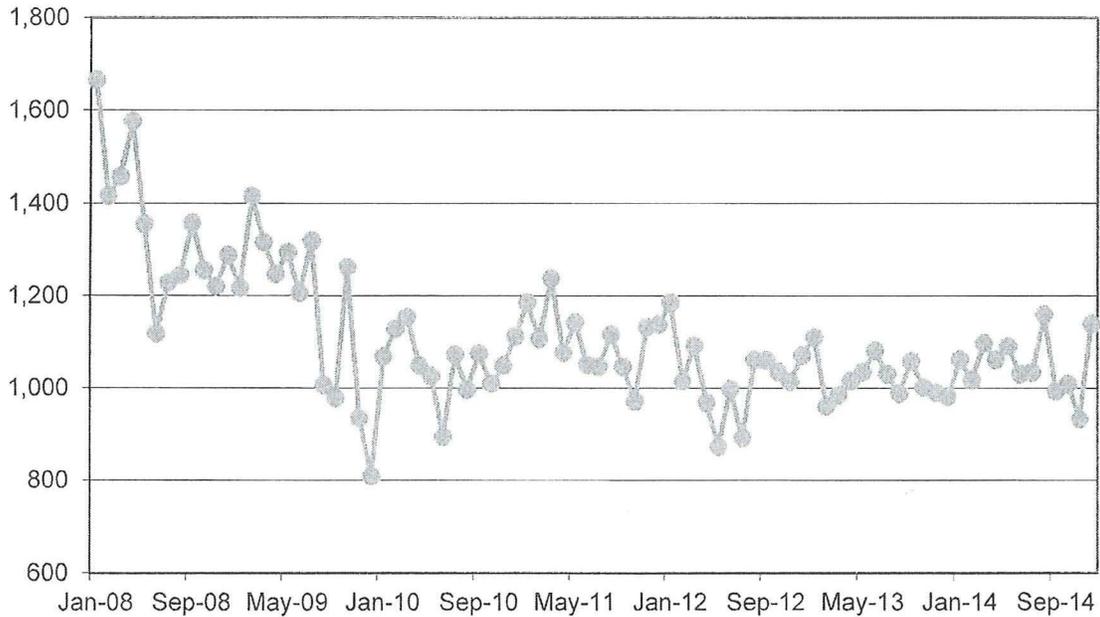
Non-Operating Income has increased significantly compared to 2013. Non-Operating Income was \$1.3 million in 2014 compared to Non-Operating Losses of \$389,000 in 2013. Investment Income was higher by 5.2% (\$38,000) but the largest factor was the Unrealized Gains in 2014 compared to Unrealized Losses in 2013. Unrealized Gains in 2014 were \$523,000 compared to Losses in 2013 of \$1.1 million.

Statistical and Volume Summary

Patient days were 93 (8.9%) greater than forecast with admissions 39 (14.1%) greater than forecast yielding a decrease in length of stay of 2.6% for the month. Factoring the case-mix index into length of stay, the length of stay for the month of 3.71 decreased from the 3.73 forecasted length of stay (0.6%). Compared to the prior year, patient days were 157 (16.0%) higher with admissions 44 (16.2%) higher. The average daily census

for the month was 36.7 compared to forecast of 33.7; 31.6 last year; and higher than the 32.2 monthly average.

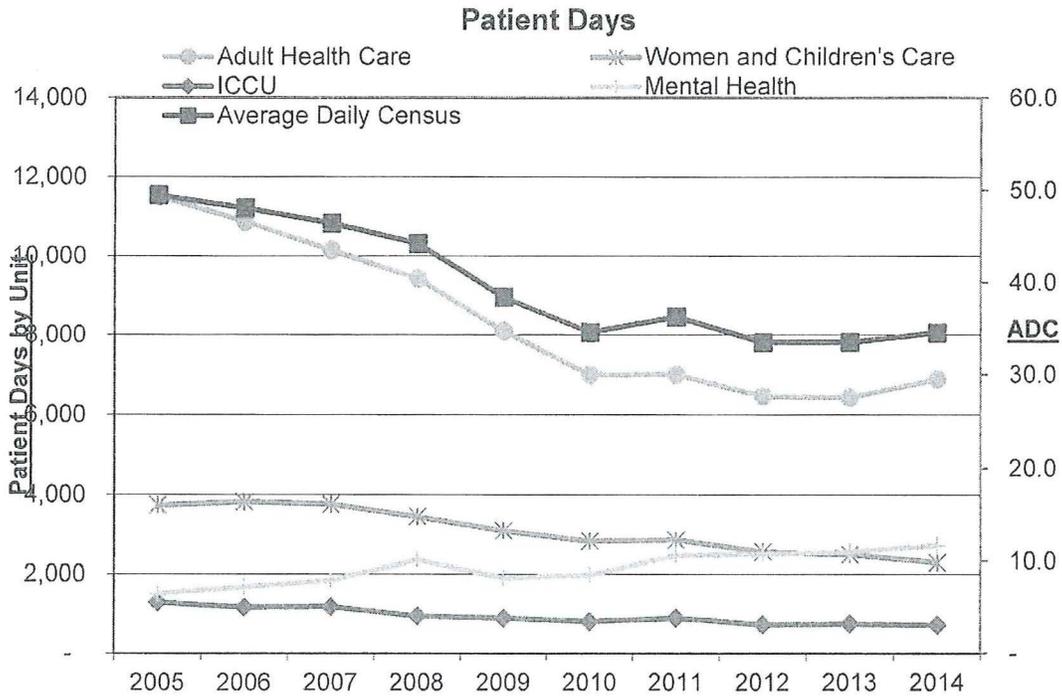
Hospital Patient Days



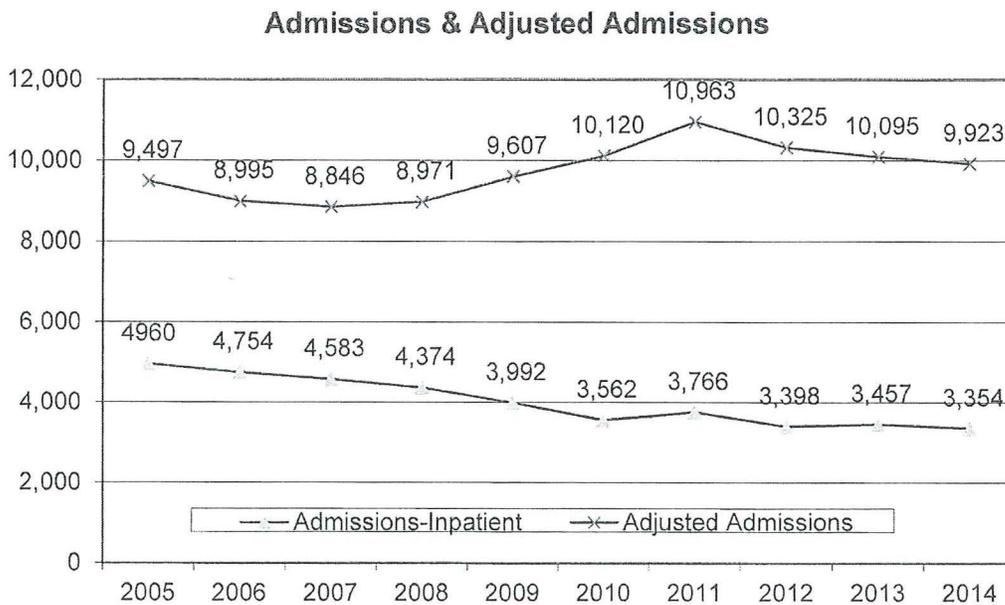
Observation patients were 1.7% greater than forecast and 10.7% greater than last year. Medicare case mix was 12.8% less than forecast and 12.2% less than last year. The overall case mix was 2.0% less than forecast and 2.1% less than last year. Overall activity as measured in adjusted admissions was 17.0% higher than forecast and 20.1% higher than last year while adjusted patient days were 11.6% higher than forecast and 19.9% greater than last year. Care Center resident days were 1.0% less than forecast with a 73.5 average daily census. Case mix for the month was 0.4% less than forecast, 0.1% greater than last year, but 4.5% less than the average.

YTD patient days were 189 (1.5%) greater than forecast with admissions 38 (1.1%) less than forecast yielding an increase in length of stay of 2.7%. Factoring in the case-mix index yields a length of stay of 3.73 compared to a 3.57 forecast, a 4.6% increase. Compared to the prior year, patient days were 386 (3.2%) greater with admissions 103 (3.0%) less than last year yielding a 6.4% increase in Length of Stay and a case-mix adjusted length of stay increase of 7.0%. The average daily census was 34.6 compared to the forecast of 34.0 and 33.5 last year. Observation patients were 21.8% less than forecast and 19.7% less than last year. Medicare case mix was 0.4% less than forecast and 0.4% less than last year while the overall case mix was 0.6% less than forecast and 0.6% less than last year. Overall activity as measured in adjusted admissions was 0.9% greater than forecast and 1.7% less than last year while adjusted patient days were 3.5% greater than forecast and 4.4% greater than last year. Deliveries were 25 (3.1%) less than forecast and 50 (6.0%) less than last year. Care Center resident days were 4.6% less than forecast with a 66.4 average daily census and the case mix was 3.4% greater than forecast and 3.2% greater than last year.

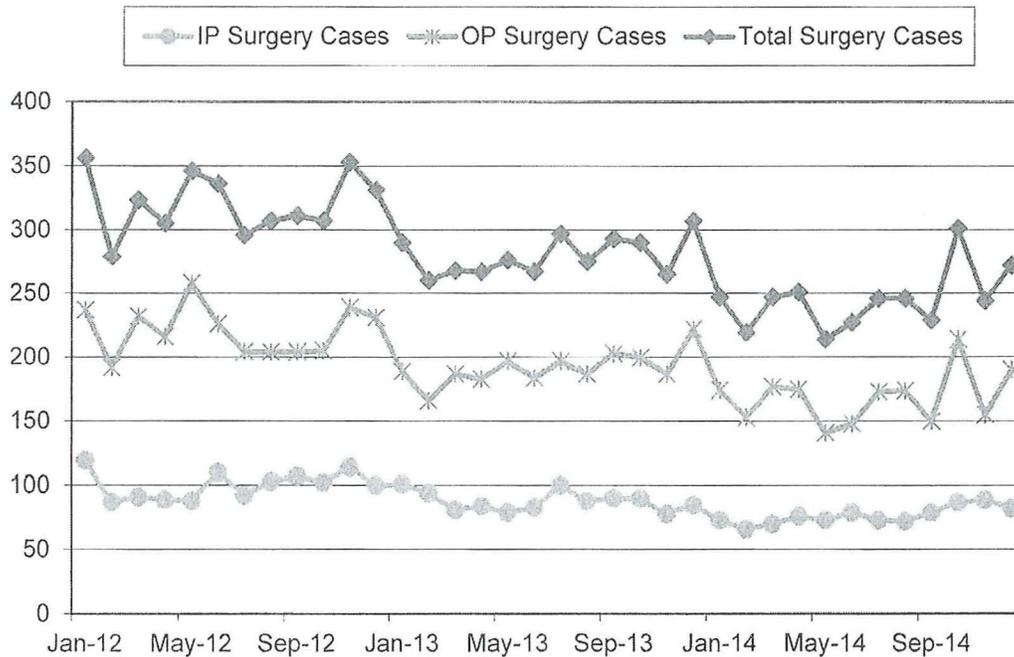
The Average Daily Census has stabilized over the past couple of years with increases in Adult Health and Behavioral Health activity and a decline in Women and Children's activity and Intensive Care.



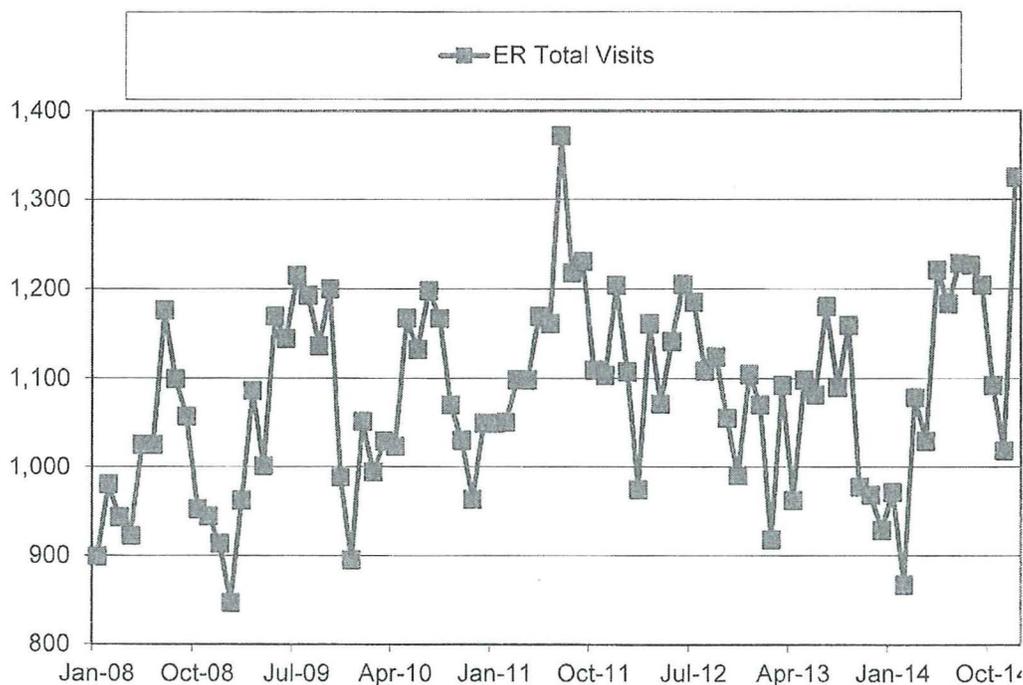
Admissions have continued a downward trend since 2011, although the trend for the last couple of years was fairly flat. Adjusted Admissions, which measures total activity, also has continued its downward trend since the high point in 2011. The downward trend is the result of a slight decline in acute admissions and lower outpatient activity.



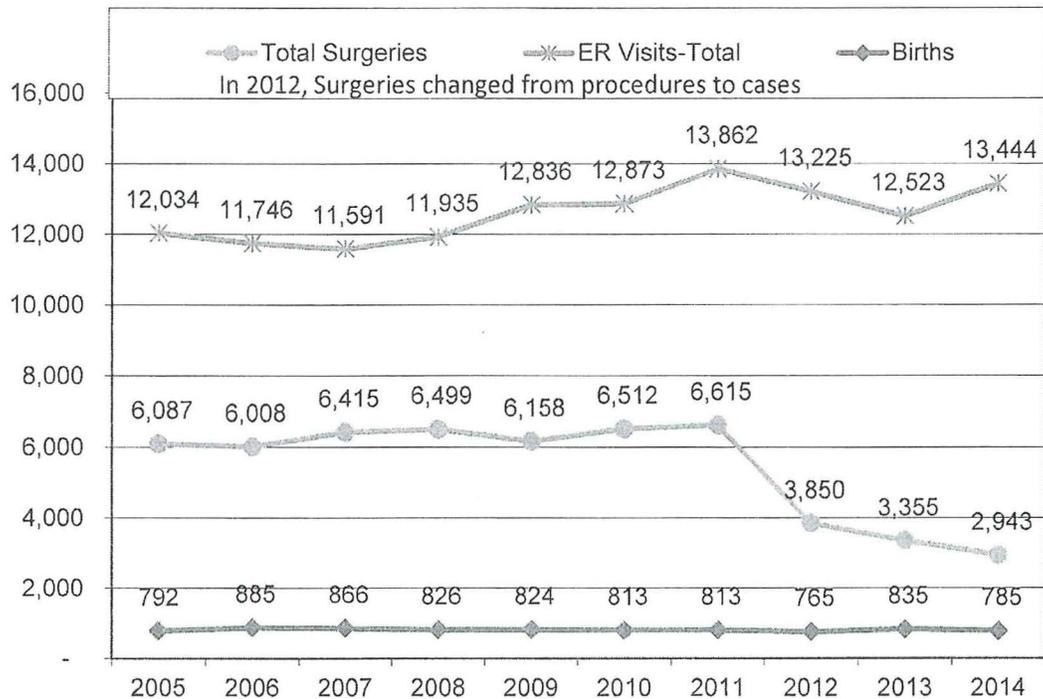
Ancillary departments were mostly higher for the month. Surgery & GI cases were 10.6% greater than forecast, 11.4% less than last year, and 5.4% greater than the three-month average. Inpatient activity was 7.9% greater than forecast but 3.5% less than last year while Outpatient activity was 11.8% greater than forecast but 14.4% less than last year. YTD Surgery cases were 9.1% less than forecast, 12.3% less than 2013, and 9.1% less than 2012.



Emergency Room visits were 20.9% greater than forecast for the month, 42.8% higher than last year and 19.9% greater than the three-month average. YTD visits were 3.9% greater than forecast, 7.4% greater than 2013, and 1.7% greater than 2012.



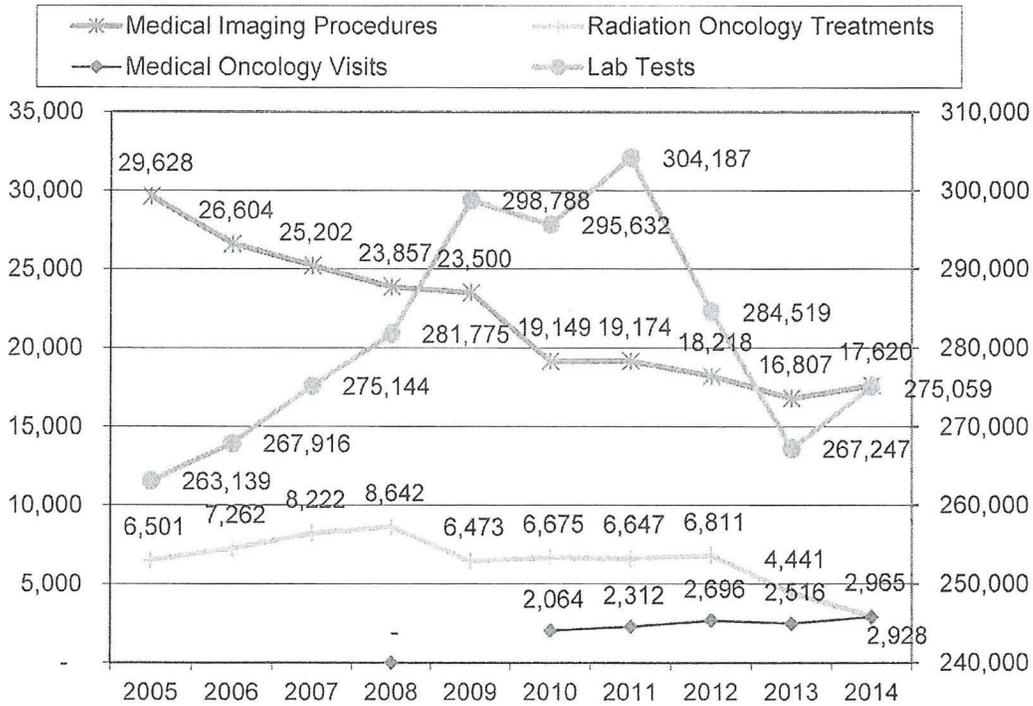
Total Surgery cases have continued its downward trend since 2012. Note that in 2012, the volume metric changed from procedures to cases. Emergency Room visits have increased in 2014 after a couple of years of decreases from the high in 2011 of 13,862 visits. Deliveries dipped in 2014 compared to 2013 and most of the previous years but were similar to the 2012 activity.



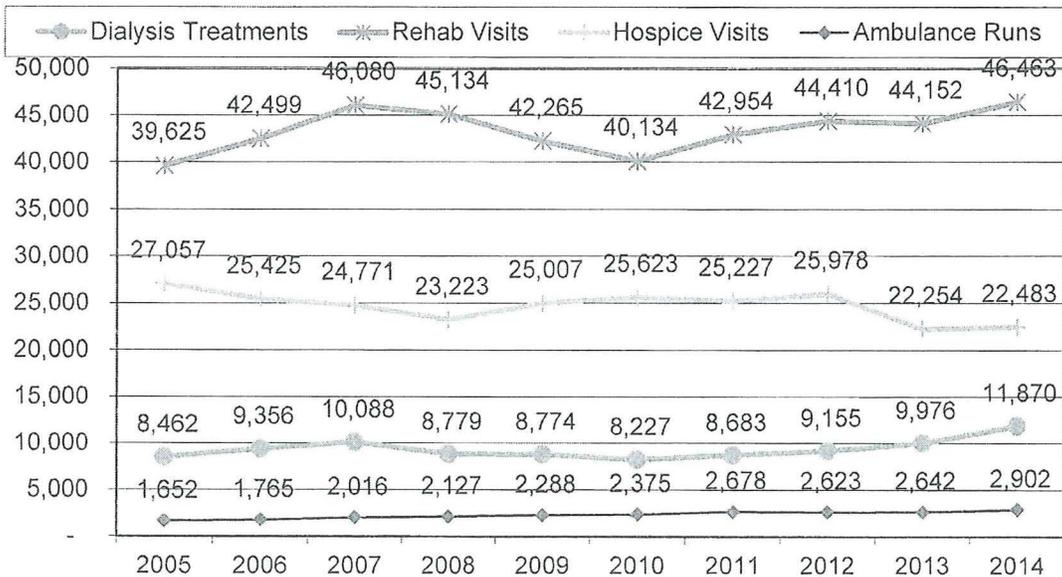
Monthly Laboratory tests were 7.1% greater than forecast, 7.5% greater than last year, and 3.6% greater than average. Medical Imaging procedures were 4.0% greater than forecast, 12.2% greater than last year, and 7.4% greater than average. Radiation Oncology treatments were 19.2% less than forecast, 32.9% greater than last year, but 9.4% less than average. Medical Oncology visits were 20.8% greater than forecast, 18.3% greater than last year, and 16.8% greater than average. Dialysis treatments were 5.1% greater than forecast, 11.3% greater than last year, and 1.4% greater than average; Rehab visits were 3.7% greater than forecast, 18.7% greater than last year, and 2.5% greater than average; Hospice visits were 7.0% less than forecast, 2.6% less than last year, and 5.5% less than average; and Ambulance runs were 10.5% greater than forecast, 25.4% greater than last year, and 8.3% greater than average.

YTD Laboratory tests were 2.6% greater than forecast, 2.9% greater than last year, but 3.3% less than 2012. Medical Imaging procedures were 1.8% greater than forecast, 4.8% greater than last year, but 3.3% less than 2012. Radiation Oncology treatments were 26.0% less than forecast, 33.2% less than last year, and 56.5% less than 2012. Medical Oncology visits were 10.8% greater than forecast, 16.4% greater than last year, and 8.6% greater than 2012. Dialysis treatments were 11.7% greater than forecast, 19.0% greater than last year, and 29.7% greater than 2012; Rehab visits were 2.9% greater than forecast, 5.2% greater than last year, and 4.6% greater than 2012; Hospice visits were 0.3% greater than forecast, 1.0% greater than last year, but 13.5% less than 2012; and Ambulance runs were 6.7% greater than forecast, 9.8% greater than last year, and 10.6% greater than 2012.

Annual activity of certain ancillary services is shown in the graphs below. Laboratory tests and Medical Imaging procedures both increased this past year. Lab tests had experienced a couple of years of lower activity while Medical Imaging procedures had been experiencing many years of lower activity. Oncology activity continued to be in flux with the turnover of providers, although Medical Oncology did experience a slight increase in visits in 2014.



Dialysis treatments continued its upward trend over the past few years. Rehab visits also increased this past year after a flat 2013. Hospice activity was relatively flat while Ambulance runs experienced an increase in 2014 after a couple of years of flat activity.

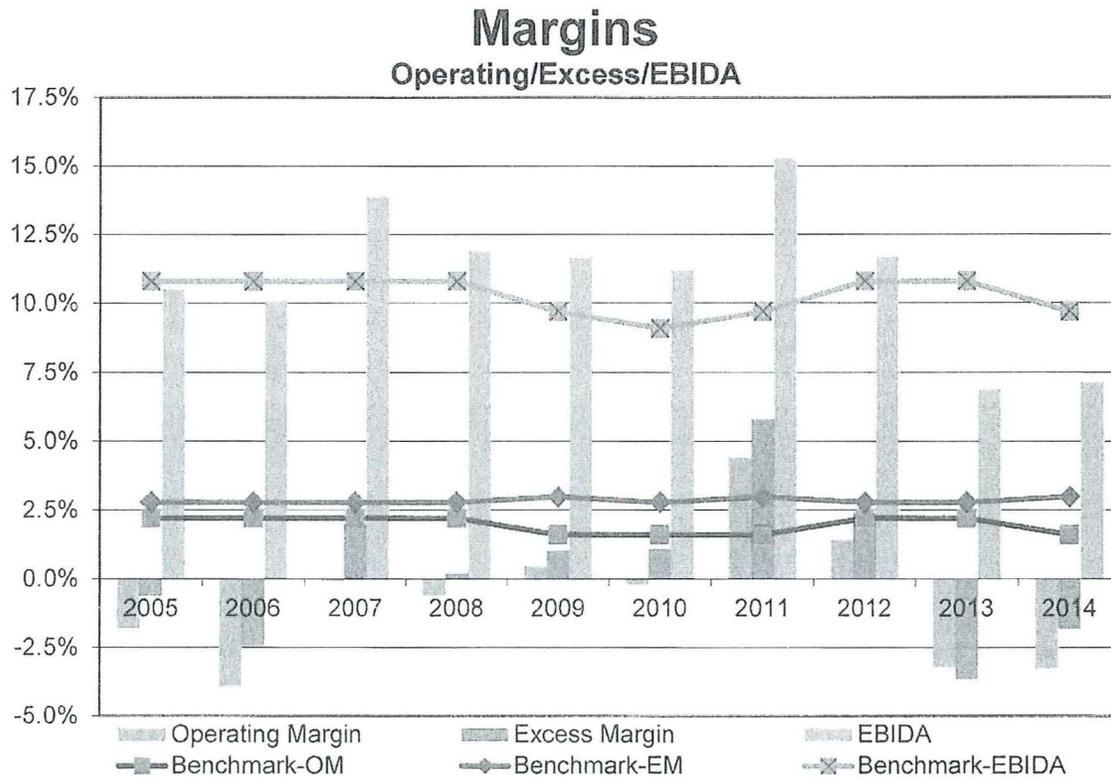


Full Time Equivalents (FTE's) for the month were 771 compared to a forecast of 791, a positive variance of 2.6%. This compared to last year's total of 806 (4.3% lower) and the three month average of 767 (0.5% higher). Hospital FTE's were 3.3% less than forecast, 6.0% less than last year, and 0.1% higher than average. Care Center FTE's were 15.9% greater than forecast, 16.2% greater than last year and 2.9% greater than average. Home Medical FTE's were 14.5% less than forecast, 10.7% less than last year, and 0.6% higher than average.

YTD FTE's were 782 compared to a forecast of 791, a positive variance of 1.2%. This compared to last year's total of 803 (2.7% lower) and 803 (2.6% lower) from 2012. Hospital FTE's were 1.2% less forecast, 3.7% less than last year, and 4.2% less than 2012. Care Center was 9.2% greater than forecast, 6.1% greater than last year and 0.7% greater than 2012. Home Medical was 10.7% less than forecast, 3.8% less than last year, but 7.2% greater than 2012.

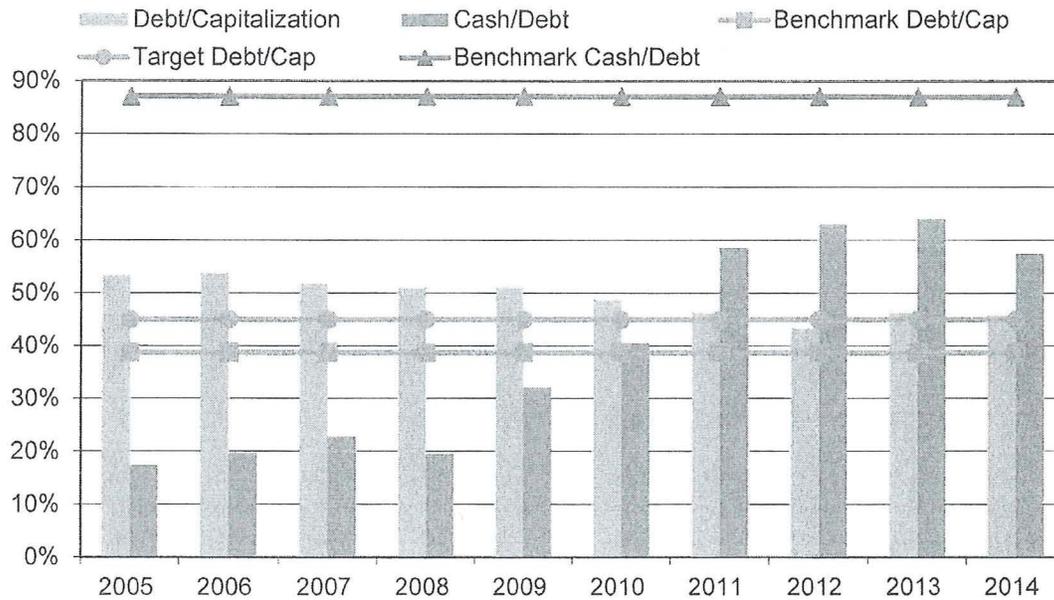
Key Performance Indicators

The Operational indicators were positive for the month compared to forecast and last year. Consolidated Operating Margin was 6.7% for the month and YTD was -3.3% compared to the forecast of 2.0% and last year's -3.2%. Excess Margin was 7.8% for the month and YTD was -1.8% compared to the forecast of 2.5% and last year's -3.6%. EBIDA Operating Margin was 12.6% for the month and 7.1% YTD compared to the forecast of 12.6% and last year's 7.0%.

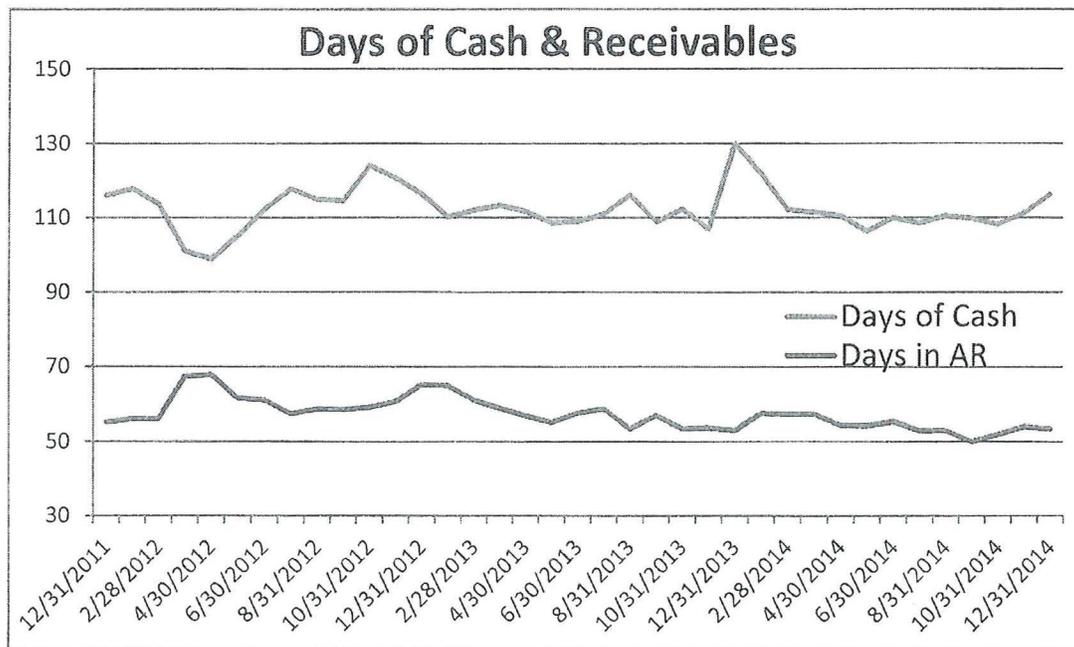


The Financial ratios indicate that the Debt/Capitalization ratio of 45.8% was lower than last month but still higher than the forecast of 43.3%; lower than last year's 46.3%, but higher than the targeted ceiling of 45%. Debt Service Coverage was 2.4 compared to the

forecast of 3.2 and last year's 1.8. The Cash/Debt ratio was 57% compared to the forecast of 68% and last year's 64%. The Financial Strength Index was a -0.33 compared to the forecast of 0.79 and -0.52 last year.

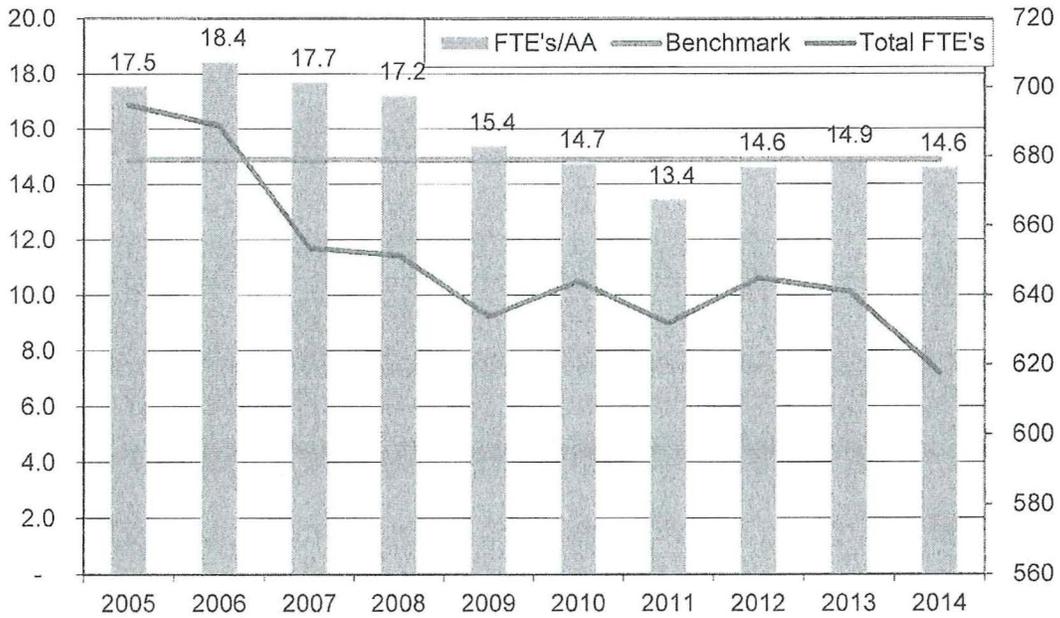


Days in accounts receivable were 53 compared to the forecast of 46 and last year's 52. Days of Cash were 116 compared to the forecast of 117 and last year's 128.



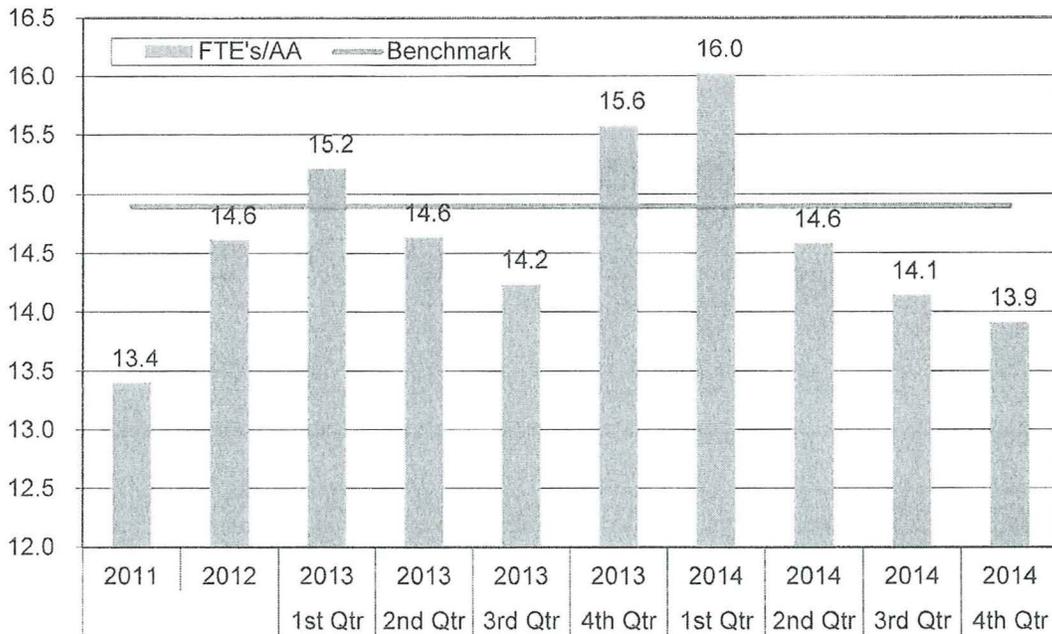
Hospital productivity ratios in terms of staffing were lower than the forecast with FTE's per adjusted admit at 12.5 for the month and 14.6 YTD compared to the forecast of 14.4 and last year's ratio of 14.9. FTE's per adjusted patient day were 3.5 for the month and 3.9 YTD compared to the forecast of 4.1 and 4.2 last year.

Hospital Full Time Equivalent



Comparing 4th Quarter productivity to the prior quarters, the Hospital Productivity ratio was slightly down from 3rd Quarter 2014. This was significantly improved from 1st Quarter 2014 and 4th Quarter 2013.

Hospital Productivity



The Hospital Total Operating Expense Ratio (Line 27) was 90.2% for the month and 93.5% YTD compared to the forecast of 90% and last year's 90%. Bad Debt ratio was 2.6% YTD compared to the 1.9% forecast and significantly better than the benchmark of

7.4%. Capital Expense ratio was 9.3% YTD compared to 9.3% forecast, 9.1% last year, and the benchmark of 6.9%.

Care Center Hours per Resident Day were 6.4 for the month and 6.7 YTD compared to the forecast of 6.5 and 6.6 last year. The Care Center's Total Operating Expense Ratio (Line 45) was 87.8% for the month; 93.5% YTD, 93.0% Forecast; and 99.0% in 2013.

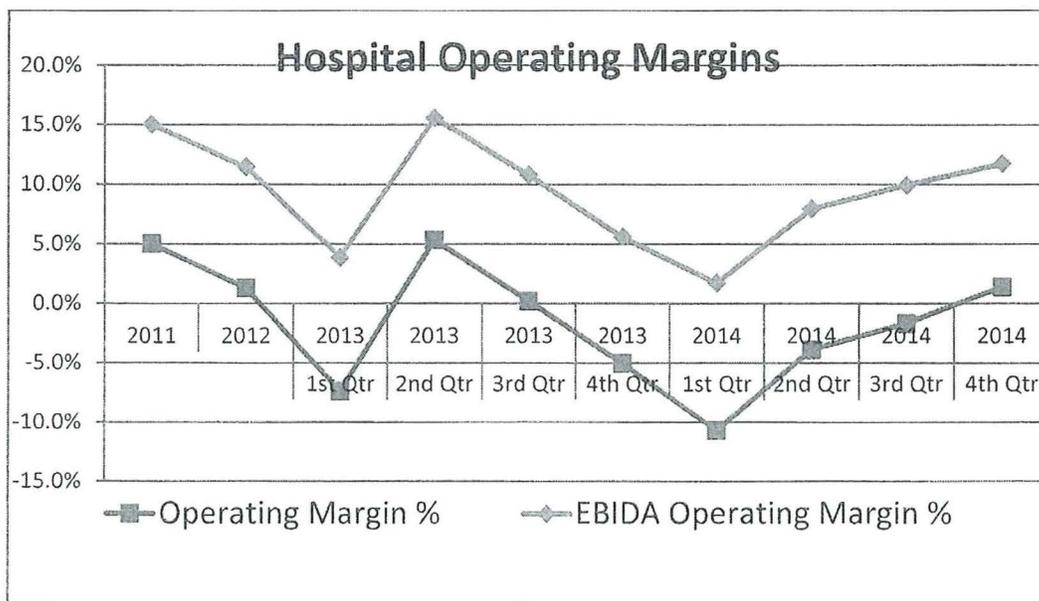
Sales per FTE at Home Medical were \$220,400 for the month and \$171,700 YTD compared to the forecast of \$191,600 and \$161,600 last year. Home Medical's Total Operating Expense Ratio (Line 50) was 54.0% for the month; 115.5% YTD; 105.0% Forecast; and 142.0% in 2013. Inventory Turns were 4.9 YTD compared to 4.7 last year.

Key Performance Indicators by Entity

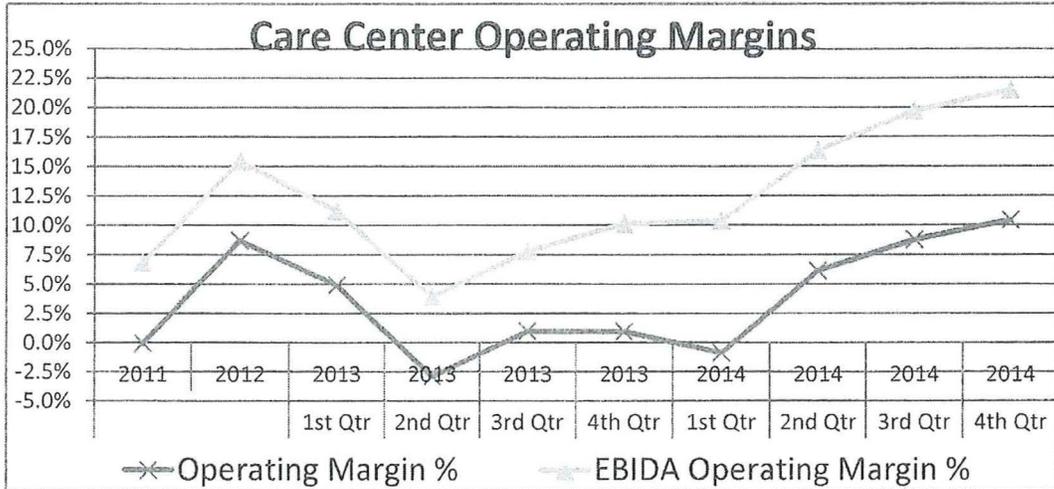
The Consolidated Margins improved in the 4th Quarter 2014 compared to 3rd Quarter 2014 and significantly better than the prior six quarters. Operating Income and Excess Margin were positive for the quarter leading to positive EBIDA Operating Margins.



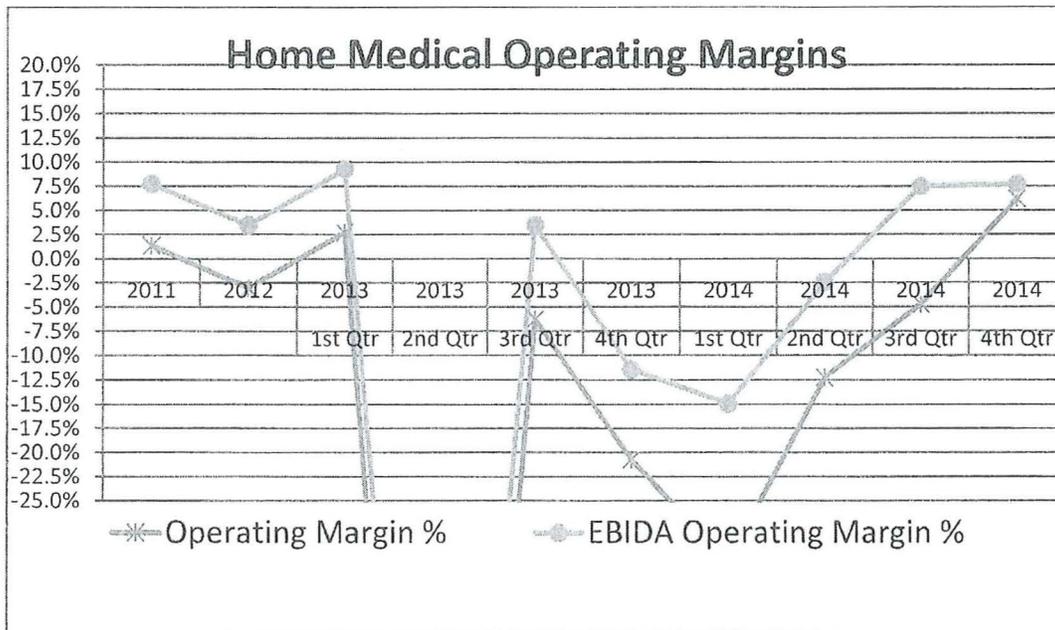
The Hospital activity continued to improve in 4th Quarter 2014 compared to the prior five quarters. Increased volumes and decreased expenses improved the 4th Quarter performance.



Care Center activity has steadily improved and was higher than any prior period.



Home Medical financial performance improved significantly in 4th Quarter 2014 to a profitable Operating Margin. Increased customer activity and lower expenses contributed to the positive performance.



Capital Expenditures:

Rice expended \$9.4 million of capital expenditures in 2014 compared to an adjusted approved budget of \$11.1 million. In addition to Routine expenditures of \$2.5 million, building projects were completed at the Care Center (\$6.4 million) and also at the Alexandria Home Medical store.

**RICE MEMORIAL HOSPITAL
CONSOLIDATED
BALANCE SHEET**
For the Twelve Months Ending December 31, 2014

	December 2014	12/31/13	Variance	12/31/12	Variance	12/31/11	Variance
1 ASSETS							
2 CURRENT ASSETS							
3 CASH AND CASH EQUIVALENTS	\$2,447,311	\$9,355,434	(\$6,908,123)	\$2,999,489	(\$552,177)	\$3,728,757	(\$1,281,446)
4 TRUSTEE BOND AGREEMENTS - CURRENT	2,757,540	2,379,838	377,702	2,393,907	363,634	2,130,440	627,100
5 ACCOUNTS RECEIVABLE NET	14,720,163	14,513,548	206,615	18,416,955	(3,696,791)	16,143,018	(1,422,834)
6 OTHER RECEIVABLES	548,759	437,453	111,307	626,156	(77,396)	521,975	26,784
7 INVENTORY	1,974,860	2,117,850	(142,990)	1,881,543	93,317	1,858,419	116,441
8 PREPAID EXPENSES	877,299	591,750	(114,451)	1,080,525	(203,225)	1,517,862	(640,562)
10 TOTAL CURRENT ASSETS	<u>23,325,933</u>	<u>29,795,874</u>	<u>(6,469,941)</u>	<u>27,398,573</u>	<u>(4,072,640)</u>	<u>25,900,470</u>	<u>(2,574,537)</u>
11							
12 ASSETS LIMITED AS TO USE							
13 HELD BY TRUSTEES - BOND AGREEMENTS	3,776,634	3,571,279	205,356	3,181,089	595,545	3,731,642	44,993
15 REMAINDER UNITRUST - RECEIVABLE	47,522	47,522		43,996	3,526	47,976	(454)
16 ENDOWMENT FUND - INVESTMENTS	3,061,232	2,960,184	101,048	2,616,990	444,242	2,466,271	594,961
18 TOTAL ASSETS - USE IS LIMITED	<u>6,885,388</u>	<u>6,578,984</u>	<u>306,404</u>	<u>5,842,075</u>	<u>1,043,313</u>	<u>6,245,889</u>	<u>639,499</u>
19							
20 PROPERTY PLANT & EQUIPMENT							
21 PROPERTY PLANT & EQUIPMENT	142,634,962	136,903,754	5,731,208	132,297,068	10,337,895	129,292,102	13,342,860
22 LESS: ACCUMULATED DEPRECIATION	(80,874,221)	(75,712,695)	(5,161,526)	(72,741,611)	(8,132,610)	(67,522,491)	(13,351,730)
24 NET PROPERTY, PLANT & EQUIPME	<u>61,760,741</u>	<u>61,191,059</u>	<u>569,682</u>	<u>59,555,457</u>	<u>2,205,285</u>	<u>61,769,611</u>	<u>(8,870)</u>
25							
26 OTHER ASSETS							
27 INVESTMENTS - FIXED INCOME	25,106,026	22,595,563	2,510,463	25,941,901	(835,875)	25,125,564	(19,538)
28 INVESTMENTS - SHR	459,048	439,455	19,593	425,186	33,862	411,413	47,635
29 INVESTMENTS - WMS	4,282,496	3,769,317	513,180	3,647,124	633,372	3,335,316	947,180
30 INVESTMENTS - LAKE REGION HMS	18,125	18,125		18,125		18,125	
30 INVESTMENTS - VHAUM CSC	54,963	54,963		79,963	(25,000)	79,136	(24,173)
32 GOODWILL, NET	83,389	84,722	(1,333)	86,056	(2,667)	83,389	
33 DEFERRED DEBT ACQUISITION COSTS				200,398	(200,398)	518,347	(518,347)
36 TOTAL OTHER ASSETS	<u>30,004,046</u>	<u>26,944,020</u>	<u>3,060,027</u>	<u>30,380,628</u>	<u>(376,582)</u>	<u>29,469,777</u>	<u>534,270</u>
38 TOTAL ASSETS	<u>\$121,976,109</u>	<u>\$124,509,937</u>	<u>(\$2,533,828)</u>	<u>\$123,176,733</u>	<u>(\$1,200,623)</u>	<u>\$123,385,747</u>	<u>(\$1,409,637)</u>
40							
41 LIABILITIES AND NET ASSETS							
42 CURRENT LIABILITIES							
43 CURRENT MATURITIES OF LTD	\$1,944,520	\$1,730,232	\$214,288	\$2,290,275	(\$345,755)	\$1,981,181	(\$36,661)
44 ACCOUNTS PAYABLE - TRADE	1,856,340	1,939,719	(83,379)	1,730,604	125,736	1,563,350	292,990
45 EST. THIRD PARTY PAYOR SETTLEMENTS	(188,000)	192,060	(380,060)	(29,504)	(158,496)	217,700	(405,700)
46 ACCRUED SALARIES, WAGES AND BENEFITS	11,471,484	11,131,571	339,913	10,992,653	478,831	10,751,022	720,462
47 ACCRUED INTEREST AND DUE TO WMS	2,225,849	2,093,781	132,069	2,089,775	136,074	2,449,639	(223,789)
49 TOTAL CURRENT LIABILITIES	<u>17,310,194</u>	<u>17,087,362</u>	<u>222,831</u>	<u>17,073,804</u>	<u>236,390</u>	<u>16,962,892</u>	<u>347,302</u>
50							
51 LONG TERM DEBT (LESS CURRENT)	<u>47,945,859</u>	<u>49,770,570</u>	<u>(1,824,711)</u>	<u>45,957,263</u>	<u>1,988,596</u>	<u>49,270,010</u>	<u>(1,324,151)</u>
53 TOTAL LIABILITIES	<u>65,256,052</u>	<u>66,857,932</u>	<u>(1,601,880)</u>	<u>63,031,067</u>	<u>2,224,986</u>	<u>66,232,902</u>	<u>(976,850)</u>
54							
55 COMMITMENTS AND CONTINGENCIES							
56							
57 NET ASSETS							
58 RESTRICTED FUNDS							
59 DEBT SERVICE AND RESERVE	3,776,634	3,571,279	205,356	3,181,089	595,545	3,731,642	44,993
60 SPECIFIC PURPOSE FUND	216,568	270,286	(53,718)	88,338	128,230	74,593	141,975
61 PERMANENT ENDOWMENT	3,061,232	2,960,184	101,048	2,616,990	444,242	2,466,271	594,961
62 CURRENT YEAR INCOME	(1,664,533)	(3,426,313)	1,761,780	2,430,398	(4,095,131)	6,006,621	(7,671,154)
63 UNRESTRICTED	51,330,156	54,276,569	(2,946,413)	51,828,651	(498,495)	44,873,718	6,456,437
65 TOTAL NET ASSETS	<u>56,720,057</u>	<u>57,652,005</u>	<u>(931,948)</u>	<u>60,145,666</u>	<u>(3,425,609)</u>	<u>57,152,845</u>	<u>(432,788)</u>
67 TOTAL LIABILITIES AND NET ASSET	<u>\$121,976,109</u>	<u>\$124,509,937</u>	<u>(\$2,533,828)</u>	<u>\$123,176,733</u>	<u>(\$1,200,623)</u>	<u>\$123,385,747</u>	<u>(\$1,409,637)</u>

RICE MEMORIAL HOSPITAL CONSOLIDATED
For the Month Ending

	December 2014	Prior 3 Mo Average	% Var	November 2014	% Var	October 2014	% Var	September 2014	% Var
OPERATING REVENUE									
INPATIENT REVENUE	\$5,648,411	\$5,119,836	10.3%	\$4,887,829	15.6%	\$5,413,007	4.3%	\$5,058,672	11.7%
OUTPATIENT REVENUE	11,144,797	10,436,548	6.8%	9,525,843	17.0%	11,454,176	(2.7%)	10,329,625	7.9%
RICE CARE CENTER REVENUE	1,085,844	1,009,718	7.5%	1,008,957	7.6%	1,019,400	6.5%	1,000,797	8.5%
RICE HOME MEDICAL REVENUE	1,366,555	1,186,335	15.2%	1,189,619	14.9%	1,188,019	15.0%	1,181,366	15.7%
TOTAL PATIENT REVENUE	19,245,607	17,752,437	8.4%	16,612,248	15.9%	19,074,602	0.9%	17,570,460	9.5%
LESS DISCOUNTS & CONTRACTUALS	9,165,953	8,906,291	2.9%	8,157,394	12.4%	9,557,179	(4.1%)	9,004,300	1.8%
LESS UNCOMPENSATED CARE	116,221	53,596	116.8%	45,905	153.2%	62,160	87.0%	52,724	120.4%
LESS BAD DEBT EXPENSE	156,101	251,766	(38.0%)	221,593	(29.6%)	284,936	(45.2%)	248,770	(37.3%)
TOTAL DEDUCTIONS FROM REVENUE	9,438,275	9,211,654	2.5%	8,424,892	12.0%	9,904,275	(4.7%)	9,305,794	1.4%
NET REVENUE FROM PATIENTS	9,807,332	8,540,783	14.8%	8,187,356	19.8%	9,170,327	6.9%	8,264,666	18.7%
OTHER OPERATING REVENUE	1,241,642	1,232,154	0.8%	1,289,042	(3.7%)	1,261,802	(1.6%)	1,145,617	8.4%
TOTAL OPERATING REVENUE	11,048,974	9,772,937	13.1%	9,476,398	16.6%	10,432,129	5.9%	9,410,283	17.4%
LESS: WILLMAR MEDICAL SERVICES OPERATING REVENUE	2,025,500	2,036,491	(0.5%)	1,937,521	4.5%	2,232,725	(9.3%)	1,939,228	4.4%
TOTAL OPERATING REVENUE	9,023,474	7,736,445	16.6%	7,538,877	19.7%	8,199,404	10.1%	7,471,055	20.8%
OPERATING EXPENSES									
SALARIES AND WAGES	3,964,754	3,738,476	6.1%	3,696,239	7.3%	3,921,308	1.1%	3,597,881	10.2%
CONTRACT LABOR	295,657	318,194	(7.1%)	285,052	3.7%	304,490	(2.9%)	365,039	(19.0%)
SUPPLEMENTAL BENEFITS	1,277,724	1,058,676	20.7%	1,039,251	22.9%	1,100,029	16.2%	1,036,747	23.2%
SUPPLIES	1,415,710	1,095,314	29.3%	1,049,443	34.9%	1,126,193	25.7%	1,110,306	27.5%
DRUGS	698,093	603,981	15.6%	598,898	16.6%	584,031	19.5%	629,015	11.0%
PURCHASED SERVICES	746,997	620,977	20.3%	686,851	8.8%	624,583	19.6%	551,497	35.4%
REPAIRS, SERVICE & RENTALS	289,868	284,608	1.8%	281,324	3.0%	297,056	(2.4%)	275,444	5.2%
UTILITIES	137,596	141,206	(2.6%)	137,926	(0.2%)	144,745	(4.9%)	140,946	(2.4%)
INSURANCE	49,170	53,992	(8.9%)	52,602	(6.5%)	50,287	(2.2%)	59,088	(16.8%)
PATIENT RELATED TRAVEL	28,302	35,259	(19.7%)	32,576	(13.1%)	36,292	(22.0%)	36,908	(23.3%)
EDUCATION, TRAVEL, & DUES	88,458	70,470	25.5%	66,361	33.3%	78,742	12.3%	66,307	33.4%
OTHER	31,666	46,857	(32.4%)	53,459	(40.8%)	51,836	(38.9%)	35,275	(10.2%)
DEPRECIATION AND AMORT	452,264	729,865	(38.0%)	693,590	(34.8%)	758,048	(40.3%)	737,957	(38.7%)
INTEREST	150,811	150,557	0.2%	149,877	0.6%	151,250	(0.3%)	150,545	0.2%
TAXES & SURCHARGE	155,148	193,484	(19.8%)	191,011	(18.8%)	172,993	(10.3%)	216,449	(28.3%)
TOTAL OPERATING EXPENSES	9,782,218	9,141,916	7.0%	9,014,460	8.5%	9,401,883	4.0%	9,009,404	8.6%
LESS: WILLMAR MEDICAL SERVICES OPERATING EXPENSES	1,358,873	1,359,286	0.0%	1,342,445	1.2%	1,390,792	(2.3%)	1,344,622	1.1%
NET OPERATING EXPENSES	8,423,345	7,782,629	8.2%	7,672,015	9.8%	8,011,091	5.1%	7,664,782	9.9%
OPERATING INCOME (LOSS)	600,129	(46,184)	(1,399.4%)	(133,138)	(550.8%)	188,313	218.7%	(193,727)	(409.8%)
NON OPERATING INCOME									
INVESTMENT INCOME	96,957	57,923	67.4%	57,946	67.3%	58,895	64.6%	56,928	70.3%
UNREALIZED GAIN (LOSS)	15,201	65,536	(76.8%)	(13,756)	(210.5%)	210,158	(92.8%)	205	7,315.1%
OTHER GAIN (LOSS)	2,079	18,097	(88.5%)	45,165	(95.4%)	8,126	(74.4%)	1,000	107.9%
TOTAL NON OPERATING INCOME	114,237	141,556	(19.3%)	89,355	27.8%	277,179	(58.8%)	58,133	96.5%
NET INCOME (LOSS)	\$714,366	\$95,372	649.0%	(\$43,783)	(1,731.6%)	\$465,492	53.5%	(\$135,594)	(626.8%)

RICE HOSPITAL
For the Month Ending

	December 2014	Prior 3 Mo Average	% Var	November 2014	% Var	October 2014	% Var	September 2014	% Var
OPERATING REVENUE									
INPATIENT REVENUE	\$5,648,411	\$5,119,836	10.3%	\$4,887,829	15.6%	\$5,413,007	4.3%	\$5,058,672	11.7%
OUTPATIENT REVENUE	11,144,797	10,436,548	6.8%	9,525,843	17.0%	11,454,175	(2.7%)	10,329,625	7.9%
TOTAL PATIENT REVENUE	16,793,208	15,556,384	8.0%	14,413,672	16.5%	16,867,182	(0.4%)	15,388,297	9.1%
LESS DISCOUNTS & CONTRACTUALS	8,455,498	8,301,864	1.9%	7,537,198	12.2%	8,948,953	(5.5%)	8,419,440	0.4%
LESS UNCOMPENSATED CARE	116,184	53,565	116.9%	45,873	153.3%	62,160	86.9%	52,661	120.6%
LESS BAD DEBT EXPENSE	145,689	247,106	(41.0%)	214,636	(32.1%)	280,129	(48.0%)	246,552	(40.9%)
TOTAL DEDUCTIONS FROM REVENUE	8,717,371	8,602,534	1.3%	7,797,707	11.8%	9,291,242	(6.2%)	8,718,653	0.0%
NET REVENUE FROM PATIENTS	8,075,837	6,953,850	16.1%	6,615,965	22.1%	7,575,940	6.6%	6,669,644	21.1%
OTHER OPERATING REVENUE	1,230,190	1,224,259	0.5%	1,283,442	(4.1%)	1,251,657	(1.7%)	1,137,677	8.1%
TOTAL OPERATING REVENUE	9,306,027	8,178,108	13.8%	7,899,407	17.8%	8,827,597	5.4%	7,807,321	19.2%
LESS: WILLMAR MEDICAL SERVICES OPERATING REVENUE	2,025,500	2,036,491	(0.5%)	1,937,521	4.5%	2,232,725	(9.3%)	1,939,228	4.4%
TOTAL OPERATING REVENUE	7,280,527	6,141,617	18.5%	5,961,886	22.1%	6,594,872	10.4%	5,868,093	24.1%
OPERATING EXPENSES									
SALARIES AND WAGES	3,408,960	3,262,493	4.5%	3,228,774	5.6%	3,440,585	(0.9%)	3,118,120	9.3%
CONTRACT LABOR	188,848	217,531	(13.2%)	186,605	1.2%	206,791	(8.7%)	259,198	(27.1%)
SUPPLEMENTAL BENEFITS	1,104,348	861,714	28.2%	820,575	34.6%	890,086	24.1%	874,480	26.3%
SUPPLIES	972,455	681,628	42.7%	658,478	47.7%	710,255	36.9%	676,152	43.8%
DRUGS	675,760	585,109	15.5%	576,947	17.1%	563,594	19.9%	614,786	9.9%
PURCHASED SERVICES	709,203	583,243	21.6%	647,229	9.6%	580,439	22.2%	522,061	35.8%
REPAIRS, SERVICE & RENTALS	261,057	259,296	0.7%	254,060	2.8%	274,265	(4.8%)	249,563	4.6%
UTILITIES	110,468	120,726	(8.5%)	116,026	(4.8%)	125,254	(11.8%)	120,899	(8.6%)
INSURANCE	41,692	46,464	(10.3%)	45,107	(7.6%)	42,792	(2.6%)	51,493	(19.0%)
PATIENT RELATED TRAVEL	20,221	22,487	(10.1%)	19,477	3.8%	21,055	(4.0%)	26,930	(24.9%)
EDUCATION, TRAVEL, & DUES	82,794	63,389	30.6%	59,067	40.2%	71,213	16.3%	59,888	38.2%
OTHER	17,217	27,702	(37.8%)	32,108	(46.4%)	30,704	(43.9%)	20,293	(15.2%)
DEPRECIATION AND AMORT	559,321	574,478	(2.6%)	537,823	4.0%	600,500	(6.9%)	585,110	(4.4%)
INTEREST	123,131	122,878	0.2%	122,198	0.8%	123,571	(0.4%)	122,865	0.2%
TAXES & SURCHARGE	115,546	153,633	(24.8%)	151,409	(23.7%)	132,642	(12.9%)	176,847	(34.7%)
TOTAL OPERATING EXPENSES	8,391,021	7,582,771	10.7%	7,455,883	12.5%	7,813,746	7.4%	7,478,685	12.2%
LESS: WILLMAR MEDICAL SERVICES OPERATING EXPENSES	1,358,873	1,359,286	0.0%	1,342,445	1.2%	1,390,792	(2.3%)	1,344,622	1.1%
NET OPERATING EXPENSES	7,032,148	6,223,485	13.0%	6,113,438	15.0%	6,422,954	9.5%	6,134,063	14.6%
OPERATING INCOME (LOSS)	248,379	(81,868)	(403.4%)	(151,552)	(263.9%)	171,918	44.5%	(265,970)	(193.4%)
NON OPERATING INCOME									
INVESTMENT INCOME	91,790	56,363	62.9%	56,386	62.8%	57,335	60.1%	55,368	65.8%
UNREALIZED GAIN (LOSS)	15,201	65,536	(76.8%)	(13,756)	(210.5%)	210,158	(92.8%)	205	7,315.1%
OTHER GAIN (LOSS)		15,485	(100.0%)	45,165	(100.0%)	290	(100.0%)	1,000	(100.0%)
TOTAL NON OPERATING INCOME	106,991	137,384	(22.1%)	87,795	21.9%	267,783	(60.0%)	56,573	89.1%
NET INCOME (LOSS)	\$355,370	\$55,516	540.1%	(\$63,757)	(657.4%)	\$439,701	(19.2%)	(\$209,397)	(269.7%)

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RICE CARE CENTER
For the Month Ending

	December 2014	Prior 3 Mo Average	% Var	November 2014	% Var	October 2014	% Var	September 2014	% Var
OPERATING REVENUE									
RICE CARE CENTER REVENUE	\$1,085,844	\$1,009,718	7.5%	\$1,008,957	7.6%	\$1,019,400	6.5%	\$1,000,797	8.5%
TOTAL PATIENT REVENUE	1,085,844	1,009,718	7.5%	1,008,957	7.6%	1,019,400	6.5%	1,000,797	8.5%
LESS DISCOUNTS & CONTRACTUALS	301,024	267,088	12.7%	261,144	15.3%	281,805	6.8%	258,316	16.5%
LESS BAD DEBT EXPENSE	1,797	463	288.1%	477	276.7%	689	160.8%	222	709.5%
TOTAL DEDUCTIONS FROM REVENUE	302,821	267,551	13.2%	261,621	15.7%	282,494	7.2%	258,538	17.1%
NET REVENUE FROM PATIENTS	783,023	742,167	5.5%	747,336	4.8%	736,906	6.3%	742,259	5.5%
OTHER OPERATING REVENUE	2,764	551	401.6%	707	290.9%	429	544.3%	517	434.6%
TOTAL OPERATING REVENUE	785,787	742,718	5.8%	748,043	5.0%	737,335	6.6%	742,776	5.8%
LESS: WILLMAR MEDICAL SERVICES									
TOTAL OPERATING REVENUE	785,787	742,718	5.8%	748,043	5.0%	737,335	6.6%	742,776	5.8%
OPERATING EXPENSES									
SALARIES AND WAGES	267,919	239,811	11.7%	239,373	11.9%	239,370	11.9%	240,691	11.3%
CONTRACT LABOR	106,809	100,474	6.3%	98,446	8.5%	97,135	10.0%	105,842	0.9%
SUPPLEMENTAL BENEFITS	86,264	98,515	(12.4%)	110,916	(22.2%)	100,780	(14.4%)	83,850	2.9%
SUPPLIES	41,997	47,844	(12.2%)	40,106	4.7%	49,837	(15.7%)	53,589	(21.6%)
DRUGS	22,334	18,797	18.8%	21,801	2.4%	20,412	9.4%	14,179	57.5%
PURCHASED SERVICES	13,229	11,654	13.5%	14,180	(6.7%)	19,112	(30.8%)	1,671	691.7%
REPAIRS, SERVICE & RENTALS	7,423	7,224	2.8%	8,348	(11.1%)	3,421	117.0%	9,902	(25.0%)
UTILITIES	14,925	11,104	34.4%	12,918	15.5%	10,401	43.5%	9,992	49.4%
INSURANCE	3,401	3,450	(1.4%)	3,417	(0.5%)	3,417	(0.5%)	3,517	(3.3%)
PATIENT RELATED TRAVEL	336	400	(16.0%)	150	124.0%	834	(59.7%)	216	55.6%
EDUCATION, TRAVEL, & DUES	4,824	4,918	(1.9%)	4,887	(1.3%)	4,755	1.5%	5,111	(5.6%)
OTHER	760	487	56.1%	564	34.8%	419	81.4%	477	59.3%
DEPRECIATION AND AMORT	56,496	54,776	3.1%	54,439	3.8%	57,128	(1.1%)	52,762	7.1%
INTEREST	27,679	27,679	0.0%	27,679	0.0%	27,679	0.0%	27,679	0.0%
TAXES & SURCHARGE	35,883	36,133	(0.7%)	35,883	0.0%	36,633	(2.0%)	35,883	0.0%
TOTAL OPERATING EXPENSES	690,279	663,267	4.1%	673,107	2.6%	671,333	2.8%	645,361	7.0%
LESS: WILLMAR MEDICAL SERVICES									
NET OPERATING EXPENSES	690,279	663,267	4.1%	673,107	2.6%	671,333	2.8%	645,361	7.0%
OPERATING INCOME (LOSS)	95,508	79,451	20.2%	74,936	27.5%	66,002	44.7%	97,415	(2.0%)
NON OPERATING INCOME									
INVESTMENT INCOME	5,169	1,560	231.3%	1,560	231.3%	1,560	231.3%	1,560	231.3%
TOTAL NON OPERATING INCOME	5,169	1,560	231.3%	1,560	231.3%	1,560	231.3%	1,560	231.3%
NET INCOME (LOSS)	\$100,677	\$81,011	24.3%	\$76,496	31.6%	\$67,562	49.0%	\$98,975	1.7%

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RICE HOME MEDICAL
RICE HOME MEDICAL
For the Month Ending December 31, 2014

	December 2014	% of Gross Sales	Prior 3 Mo Average	% of Gross Sales	November 2014	% of Gross Sales	October 2014	% of Gross Sales
GROSS SALES								
SALES REVENUE	\$917,857	67.17%	\$746,450	62.89%	\$753,524	63.34%	\$713,721	60.08%
RENTS REVENUE	448,698	32.83%	439,885	37.06%	436,095	36.66%	474,298	39.92%
MISC REVENUE	0	0.00%	658	0.06%	0	0.00%	0	0.00%
GROSS SALES	1,366,555	100.00%	1,186,993	100.00%	1,189,619	100.00%	1,188,019	100.00%
LESS: CONTRACTUAL ALLOWANCES	(409,430)	(29.96%)	(337,339)	(28.42%)	(359,052)	(30.18%)	(326,421)	(27.48%)
LESS: UNCOMPENSATED CARE	(37)	0.00%	(32)	0.00%	(32)	0.00%	0	0.00%
LESS: BAD DEBT EXPENSE	(8,614)	(0.63%)	(4,197)	(0.35%)	(6,479)	(0.54%)	(4,117)	(0.35%)
NET SALES	948,473	69.41%	845,425	71.22%	824,056	69.27%	857,481	72.18%
COST OF GOODS SOLD								
OXYGEN	7,041	0.52%	6,843	0.58%	6,919	0.58%	6,210	0.52%
EQUIPMENT	101,046	7.39%	89,853	7.57%	89,211	7.50%	84,571	7.12%
SUPPLY - FREIGHT	15,773	1.15%	13,370	1.13%	12,962	1.09%	14,795	1.25%
SUPPLY	227,795	16.67%	211,106	17.78%	189,950	15.97%	223,057	18.78%
EQUIPMENT REPAIR	39,885	2.92%	31,533	2.66%	35,660	3.00%	25,526	2.15%
SHOP EXPENSE	771	0.06%	1,652	0.14%	1,094	0.09%	2,692	0.23%
EQUIPMENT RENTAL & LEASES	2,774	0.20%	2,845	0.24%	2,561	0.22%	2,774	0.23%
PURCHASE DISCOUNTS	(4,125)	(0.30%)	(5,323)	(0.45%)	(4,092)	(0.34%)	(8,032)	(0.68%)
TOTAL COST OF GOODS SOLD	390,960	28.61%	351,879	29.64%	334,265	28.10%	351,593	29.59%
GROSS PROFIT	557,513	40.80%	493,547	41.58%	489,791	41.17%	505,888	42.58%
OTHER OPERATING REVENUE	8,415	0.62%	6,978	0.59%	6,638	0.56%	7,060	0.59%
TOTAL OPERATING REVENUE	565,927	41.41%	500,524	42.17%	496,429	41.73%	512,948	43.18%
OPERATING EXPENSES								
SALARIES & WAGES	287,875	21.07%	236,172	19.90%	228,093	19.17%	241,353	20.32%
CONTRACT LABOR	0	0.00%	188	0.02%	0	0.00%	564	0.05%
SUPPLEMENTAL BENEFITS	87,112	6.37%	98,447	8.29%	107,760	9.06%	109,163	9.19%
SUPPLIES AND DRUGS	6,173	0.45%	8,715	0.73%	12,651	1.06%	6,501	0.55%
PURCHASED SERVICES	24,565	1.80%	26,080	2.20%	25,442	2.14%	25,032	2.11%
REPAIRS, SERVICE & RENTALS	21,388	1.57%	18,089	1.52%	18,916	1.59%	19,370	1.63%
UTILITIES	12,203	0.89%	9,375	0.79%	8,981	0.75%	9,090	0.77%
INSURANCE	4,078	0.30%	4,078	0.34%	4,078	0.34%	4,078	0.34%
PATIENT RELATED TRAVEL	7,745	0.57%	12,372	1.04%	12,949	1.09%	14,403	1.21%
EDUCATION, TRAVEL, & DUES	839	0.06%	2,163	0.18%	2,406	0.20%	2,775	0.23%
OTHER EXPENSE	13,689	1.00%	18,669	1.57%	20,788	1.75%	20,713	1.74%
DEPRECIATION & AMORTIZATION	(163,552)	(11.97%)	100,611	8.48%	101,328	8.52%	100,420	8.45%
TAXES	3,718	0.27%	3,718	0.31%	3,718	0.31%	3,718	0.31%
TOTAL OPERATING EXPENSES	305,833	22.38%	538,675	45.38%	547,110	45.99%	557,181	46.90%
NET OPERATING INCOME (LOSS)	260,094	19.03%	(38,151)	(3.21%)	(50,681)	(4.26%)	(44,233)	(3.72%)
INVESTMENT INCOME (LOSS)	(3,851)	(0.28%)	(5,615)	(0.47%)	(5,838)	(0.49%)	(5,376)	(0.45%)
OTHER GAIN (LOSS)	2,077	0.15%	2,612	0.22%	0	0.00%	7,836	0.66%
NET INCOME (LOSS)	\$258,320	18.90%	(\$41,154)	(3.47%)	(\$56,519)	(4.75%)	(\$41,773)	(3.52%)

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RICE MEMORIAL HOSPITAL CONSOLIDATED
For the Year To Date Period Ending

	December 2014	December 2013	% Var	December 2012	% Var	December 2011	% Var
OPERATING REVENUE							
INPATIENT REVENUE	\$63,663,296	\$62,291,363	2.2%	\$60,874,196	4.6%	\$66,088,084	(3.7%)
OUTPATIENT REVENUE	124,613,779	119,502,264	4.3%	120,441,357	3.5%	126,052,247	(1.1%)
RICE CARE CENTER REVENUE	11,210,522	10,185,462	10.1%	9,504,099	18.0%	5,874,651	90.8%
RICE HOME MEDICAL REVENUE	13,332,446	13,046,127	2.2%	10,467,284	27.4%	10,384,359	28.4%
TOTAL PATIENT REVENUE	212,820,043	205,025,216	3.8%	201,286,936	5.7%	208,399,341	2.1%
LESS DISCOUNTS & CONTRACTUALS	108,664,065	102,050,078	6.5%	94,670,764	14.8%	99,874,787	8.8%
LESS UNCOMPENSATED CARE	1,113,377	1,254,322	(11.2%)	1,412,606	(21.2%)	1,970,005	(43.5%)
LESS BAD DEBT EXPENSE	2,344,851	1,804,921	29.9%	2,015,332	16.4%	2,008,831	16.7%
TOTAL DEDUCTIONS FROM REVENUE	112,122,293	105,109,321	6.7%	98,098,702	14.3%	103,853,623	8.0%
NET REVENUE FROM PATIENTS	100,697,750	99,915,895	0.8%	103,188,234	(2.4%)	104,545,718	(3.7%)
OTHER OPERATING REVENUE	14,647,684	17,350,770	(15.6%)	17,571,197	(16.6%)	17,329,689	(15.5%)
TOTAL OPERATING REVENUE	115,345,434	117,266,665	(1.6%)	120,759,431	(4.5%)	121,875,407	(5.4%)
LESS: WILLMAR MEDICAL SERVICES OPERATING REVENUE	24,177,105	22,709,259	6.5%	20,785,386	16.3%	21,315,935	13.4%
TOTAL OPERATING REVENUE	91,168,329	94,557,406	(3.6%)	99,974,045	(8.8%)	100,559,472	(9.3%)
OPERATING EXPENSES							
SALARIES AND WAGES	45,527,776	46,003,619	(1.0%)	44,950,173	1.3%	44,885,891	1.4%
CONTRACT LABOR	4,150,971	3,652,433	13.6%	3,945,352	5.2%	2,153,267	92.8%
SUPPLEMENTAL BENEFITS	13,811,359	13,757,197	0.4%	13,418,873	2.9%	12,735,819	8.4%
SUPPLIES	12,270,534	12,419,441	(1.2%)	11,884,945	3.2%	12,139,676	1.1%
DRUGS	6,066,264	7,179,841	(15.5%)	8,389,845	(27.7%)	7,084,245	(14.4%)
PURCHASED SERVICES	7,460,552	6,326,747	17.9%	7,185,504	3.8%	7,093,325	5.2%
REPAIRS, SERVICE & RENTALS	3,324,458	3,355,354	(0.9%)	3,096,613	7.4%	3,051,829	8.9%
UTILITIES	1,746,331	1,671,191	4.5%	1,649,567	5.9%	1,614,847	8.1%
INSURANCE	690,624	708,394	(2.5%)	708,521	(2.5%)	618,350	11.7%
PATIENT RELATED TRAVEL	396,733	455,026	(12.8%)	432,023	(8.2%)	435,763	(9.0%)
EDUCATION, TRAVEL, & DUES	895,196	991,305	(9.7%)	963,880	(7.1%)	919,977	(2.7%)
OTHER	456,733	400,850	13.9%	550,874	(17.1%)	490,645	(6.9%)
DEPRECIATION AND AMORT	8,456,572	8,099,728	4.4%	7,952,550	6.3%	7,362,418	14.9%
INTEREST	1,822,061	1,655,144	10.1%	1,682,029	8.3%	2,504,714	(27.3%)
TAXES & SURCHARGE	2,240,536	2,239,636	0.0%	2,097,380	6.8%	2,074,809	8.0%
TOTAL OPERATING EXPENSES	109,316,700	108,915,906	0.4%	108,908,129	0.4%	105,165,575	3.9%
LESS: WILLMAR MEDICAL SERVICES OPERATING EXPENSES	15,181,675	11,321,200	34.1%	10,409,657	45.8%	9,162,896	65.7%
NET OPERATING EXPENSES	94,135,025	97,594,706	(3.5%)	98,498,472	(4.4%)	96,002,679	(1.9%)
OPERATING INCOME (LOSS)	(2,966,696)	(3,037,300)	(2.3%)	1,475,573	(301.1%)	4,556,793	(165.1%)
NON OPERATING INCOME							
INVESTMENT INCOME	758,345	720,725	5.2%	955,788	(20.7%)	772,765	(1.9%)
UNREALIZED GAIN (LOSS)	523,281	(1,199,914)	(143.6%)	9,144	5,622.7%	620,603	(15.7%)
OTHER GAIN (LOSS)	20,537	90,175	(77.2%)	(9,909)	(307.3%)	56,456	(63.6%)
TOTAL NON OPERATING INCOME	1,302,163	(389,014)	(434.7%)	955,023	36.3%	1,449,824	(10.2%)
NET INCOME (LOSS)	\$(1,664,533)	\$(3,426,314)	(51.4%)	\$2,430,596	(168.5%)	\$6,006,617	(127.7%)

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RICE HOSPITAL
For the Year To Date Period Ending

	December 2014	December 2013	% Var	December 2012	% Var	December 2011	% Var
OPERATING REVENUE							
INPATIENT REVENUE	\$63,663,296	\$62,291,363	2.2%	\$60,874,196	4.6%	\$66,088,084	(3.7%)
OUTPATIENT REVENUE	124,613,779	119,502,264	4.3%	120,441,357	3.5%	126,052,247	(1.1%)
TOTAL PATIENT REVENUE	188,277,075	181,793,627	3.6%	181,315,553	3.8%	192,140,331	(2.0%)
LESS DISCOUNTS & CONTRACTUALS	101,501,899	94,128,851	7.8%	90,075,301	12.7%	96,637,273	5.0%
LESS UNCOMPENSATED CARE	1,109,043	1,245,393	(10.9%)	1,402,653	(20.9%)	1,964,611	(43.5%)
LESS BAD DEBT EXPENSE	2,244,734	1,751,127	28.2%	1,947,330	15.3%	1,942,363	15.6%
TOTAL DEDUCTIONS FROM REVENUE	104,855,676	97,125,371	8.0%	93,425,284	12.2%	100,544,247	4.3%
NET REVENUE FROM PATIENTS	83,421,399	84,668,256	(1.5%)	87,890,269	(5.1%)	91,596,084	(8.9%)
OTHER OPERATING REVENUE	14,560,342	17,243,452	(15.6%)	17,460,402	(16.6%)	17,263,786	(15.7%)
TOTAL OPERATING REVENUE	97,981,741	101,911,708	(3.9%)	105,350,671	(7.0%)	108,859,870	(10.0%)
LESS: WILLMAR MEDICAL SERVICES OPERATING REVENUE	24,177,105	22,709,259	6.5%	20,785,386	16.3%	21,315,935	13.4%
TOTAL OPERATING REVENUE	73,804,636	79,202,449	(6.8%)	84,565,285	(12.7%)	87,543,935	(15.7%)
OPERATING EXPENSES							
SALARIES AND WAGES	39,747,476	40,428,818	(1.7%)	39,562,138	0.5%	40,093,174	(0.9%)
CONTRACT LABOR	2,991,693	2,443,843	22.4%	3,078,006	(2.8%)	2,073,590	44.3%
SUPPLEMENTAL BENEFITS	11,623,029	11,624,854	0.0%	11,522,039	0.9%	11,084,348	4.9%
SUPPLIES	7,712,967	7,886,866	(2.2%)	8,125,681	(5.1%)	8,397,094	(8.1%)
DRUGS	5,839,486	7,005,550	(16.6%)	8,201,392	(28.8%)	6,976,759	(16.3%)
PURCHASED SERVICES	6,971,747	5,616,237	24.1%	6,668,001	4.6%	6,587,733	5.8%
REPAIRS, SERVICE & RENTALS	3,021,561	3,026,217	(0.2%)	2,871,046	5.2%	2,837,238	6.5%
UTILITIES	1,465,767	1,433,918	2.2%	1,448,551	1.2%	1,422,607	3.0%
INSURANCE	597,029	609,564	(2.1%)	594,654	0.4%	522,937	14.2%
PATIENT RELATED TRAVEL	253,164	285,684	(11.4%)	264,829	(4.4%)	278,758	(9.2%)
EDUCATION, TRAVEL, & DUES	814,952	893,751	(8.8%)	853,400	(4.5%)	817,179	(0.3%)
OTHER	271,440	280,345	(3.2%)	427,093	(36.4%)	392,958	(30.9%)
DEPRECIATION AND AMORT	7,043,948	6,995,414	0.7%	7,123,827	(1.1%)	6,672,663	5.6%
INTEREST	1,488,989	1,468,075	1.4%	1,502,142	(0.9%)	2,335,064	(36.2%)
TAXES & SURCHARGE	1,763,817	1,751,266	0.7%	1,641,802	7.4%	1,760,683	0.2%
TOTAL OPERATING EXPENSES	91,607,065	91,750,402	(0.2%)	93,884,601	(2.4%)	92,252,785	(0.7%)
LESS: WILLMAR MEDICAL SERVICES OPERATING EXPENSES	15,181,675	11,321,200	34.1%	10,409,657	45.8%	9,162,896	65.7%
NET OPERATING EXPENSES	76,425,390	80,429,202	(5.0%)	83,474,944	(8.4%)	83,089,889	(8.0%)
OPERATING INCOME (LOSS)	(2,620,754)	(1,226,753)	113.6%	1,090,341	(340.4%)	4,454,046	(158.8%)
NON OPERATING INCOME							
INVESTMENT INCOME	741,818	716,533	3.5%	952,535	(22.1%)	755,528	(1.8%)
UNREALIZED GAIN (LOSS)	523,281	(1,199,914)	(143.6%)	9,144	5,622.7%	620,603	(15.7%)
OTHER GAIN (LOSS)	1,022	104,280	(99.0%)	(8,806)	(111.6%)	68,639	(98.5%)
TOTAL NON OPERATING INCOME	1,266,121	(379,101)	(434.0%)	952,873	32.9%	1,444,770	(12.4%)
NET INCOME (LOSS)	(\$1,354,633)	(\$1,605,854)	(15.6%)	\$2,043,214	(166.3%)	\$5,898,816	(123.0%)

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RICE CARE CENTER
For the Year To Date Period Ending

	December 2014	December 2013	% Var	December 2012	% Var	December 2011	% Var
OPERATING REVENUE							
RICE CARE CENTER REVENUE	\$11,210,522	\$10,185,462	10.1%	\$9,504,099	18.0%	\$5,874,651	90.8%
TOTAL PATIENT REVENUE	11,210,522	10,185,462	10.1%	9,504,099	18.0%	5,874,651	90.8%
LESS DISCOUNTS & CONTRACTUALS	3,141,293	3,235,268	(2.9%)	2,250,703	39.6%	786,944	299.2%
LESS BAD DEBT EXPENSE	8,339	2,609	219.6%	4,255	96.0%	20,931	(60.2%)
TOTAL DEDUCTIONS FROM REVENUE	3,149,632	3,237,877	(2.7%)	2,254,958	39.7%	807,875	289.9%
NET REVENUE FROM PATIENTS	8,060,890	6,947,585	16.0%	7,249,141	11.2%	5,066,776	59.1%
OTHER OPERATING REVENUE	7,695	7,447	3.3%	10,271	(25.1%)	10,395	(26.0%)
TOTAL OPERATING REVENUE	8,068,585	6,955,032	16.0%	7,259,412	11.1%	5,077,171	58.9%
LESS: WILLMAR MEDICAL SERVICES							
TOTAL OPERATING REVENUE	8,068,585	6,955,032	16.0%	7,259,412	11.1%	5,077,171	58.9%
OPERATING EXPENSES							
SALARIES AND WAGES	2,791,467	2,534,261	10.1%	2,643,815	5.6%	2,525,865	10.5%
CONTRACT LABOR	1,158,333	1,197,456	(3.3%)	867,347	33.5%	26,223	4,317.2%
SUPPLEMENTAL BENEFITS	1,055,586	1,030,358	2.4%	1,122,598	(6.0%)	978,536	7.9%
SUPPLIES	492,370	483,221	1.9%	453,480	8.6%	446,218	10.3%
DRUGS	226,019	174,291	29.7%	188,453	19.9%	107,486	110.3%
PURCHASED SERVICES	176,810	239,588	(26.2%)	213,067	(17.0%)	153,481	15.2%
REPAIRS, SERVICE & RENTALS	65,240	69,771	(6.5%)	44,044	48.1%	36,854	77.0%
UTILITIES	149,159	119,996	24.3%	105,521	41.4%	90,436	64.9%
INSURANCE	46,537	49,298	(5.6%)	40,323	15.4%	33,779	37.8%
PATIENT RELATED TRAVEL	4,504	3,478	29.5%	4,407	2.2%	2,921	54.2%
EDUCATION, TRAVEL, & DUES	51,490	46,206	11.4%	50,340	2.3%	44,883	14.7%
OTHER	18,066	7,559	139.0%	3,353	438.8%	13,522	33.6%
DEPRECIATION AND AMORT	544,728	383,243	42.1%	358,736	51.8%	242,681	124.5%
INTEREST	333,073	122,964	170.9%	131,182	153.9%	111,674	198.3%
TAXES & SURCHARGE	432,097	421,262	2.6%	402,837	7.3%	269,121	60.6%
TOTAL OPERATING EXPENSES	7,545,479	6,882,952	9.6%	6,629,503	13.8%	5,083,680	48.4%
LESS: WILLMAR MEDICAL SERVICES							
NET OPERATING EXPENSES	7,545,479	6,882,952	9.6%	6,629,503	13.8%	5,083,680	48.4%
OPERATING INCOME (LOSS)	523,106	72,080	625.7%	629,909	(17.0%)	(6,509)	(8,136.7%)
NON OPERATING INCOME							
INVESTMENT INCOME	16,529	4,219	291.8%	4,851	240.7%	6,031	174.1%
OTHER GAIN (LOSS)		(1,772)	(100.0%)		0.0%		0.0%
TOTAL NON OPERATING INCOME	16,529	2,447	575.5%	4,851	240.7%	6,031	174.1%
NET INCOME (LOSS)	\$539,635	\$74,527	624.1%	\$634,760	(15.0%)	(\$478)	(112,994.4%)

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Rice Home Medical
RICE HOME MEDICAL
For the 12 Months Ending December 31, 2014

	December 2014	% of Gross Sales	December 2013	% of Gross Sales	December 2012	% of Gross Sales	December 2011	% of Gross Sales
GROSS SALES								
SALES REVENUE	\$8,140,348	61.01%	\$8,023,636	61.44%	\$6,602,080	63.06%	\$6,371,410	61.33%
RENTS REVENUE	5,192,097	38.91%	5,022,491	38.46%	3,865,204	36.92%	4,012,950	38.63%
MISC REVENUE	11,028	0.08%	14,170	0.11%	2,979	0.03%	4,666	0.04%
GROSS SALES	13,343,473	100.00%	13,060,297	100.00%	10,470,264	100.00%	10,389,026	100.00%
LESS: CONTRACTUAL ALLOWANCES	(4,020,873)	(30.13%)	(4,685,958)	(35.88%)	(2,344,761)	(22.39%)	(2,450,569)	(23.59%)
LESS: UNCOMPENSATED CARE	(4,334)	(0.03%)	(8,929)	(0.07%)	(9,953)	(0.10%)	(5,394)	(0.05%)
LESS: BAD DEBT EXPENSE	(91,778)	(0.69%)	(51,185)	(0.39%)	(63,747)	(0.61%)	(45,537)	(0.44%)
NET SALES	9,226,488	69.15%	8,314,225	63.66%	8,051,803	76.90%	7,887,526	75.92%
COST OF GOODS SOLD								
OXYGEN	80,388	0.60%	100,923	0.77%	134,889	1.29%	139,984	1.35%
EQUIPMENT	1,011,102	7.58%	1,005,181	7.70%	829,422	7.92%	851,891	8.20%
SUPPLY - FREIGHT	150,938	1.13%	176,893	1.35%	168,537	1.61%	156,120	1.50%
SUPPLY	2,340,356	17.54%	2,254,361	17.26%	1,895,383	18.10%	1,850,393	17.81%
EQUIPMENT REPAIR	336,154	2.52%	334,867	2.56%	109,083	1.04%	124,711	1.20%
SHOP EXPENSE	34,318	0.26%	48,783	0.37%	63,422	0.61%	54,291	0.52%
EQUIPMENT RENTAL & LEASES	20,486	0.15%	40	0.00%	0	0.00%	5,075	0.05%
PURCHASE DISCOUNTS	(84,830)	(0.64%)	(85,701)	(0.66%)	(97,545)	(0.93%)	(50,842)	(0.49%)
TOTAL COST OF GOODS SOLD	3,888,913	29.14%	3,835,348	29.37%	3,103,190	29.64%	3,131,624	30.14%
GROSS PROFIT	5,337,576	40.00%	4,478,877	34.29%	4,948,613	47.26%	4,755,902	45.78%
OTHER OPERATING REVENUE	65,665	0.49%	0	0.00%	0	0.00%	0	0.00%
TOTAL OPERATING REVENUE	5,403,241	40.49%	4,478,877	34.29%	4,948,613	47.26%	4,755,902	45.78%
OPERATING EXPENSES								
SALARIES & WAGES	2,988,834	22.40%	3,040,540	23.28%	2,744,219	26.21%	2,266,852	21.82%
CONTRACT LABOR	945	0.01%	11,134	0.09%	0	0.00%	53,454	0.51%
SUPPLEMENTAL BENEFITS	1,132,744	8.49%	1,101,985	8.44%	774,236	7.39%	672,934	6.48%
SUPPLIES AND DRUGS	92,213	0.69%	128,305	0.98%	105,049	1.00%	113,898	1.10%
PURCHASED SERVICES	311,995	2.34%	470,922	3.61%	304,436	2.91%	352,110	3.39%
REPAIRS, SERVICE & RENTALS	237,658	1.78%	259,366	1.99%	181,523	1.73%	177,737	1.71%
UTILITIES	131,405	0.98%	117,277	0.90%	95,495	0.91%	101,804	0.98%
INSURANCE	47,058	0.35%	49,533	0.38%	73,544	0.70%	61,634	0.59%
PATIENT RELATED TRAVEL	139,064	1.04%	165,864	1.27%	162,787	1.55%	154,084	1.48%
EDUCATION, TRAVEL, & DUES	28,754	0.22%	51,347	0.39%	60,139	0.57%	57,915	0.56%
OTHER EXPENSE	167,227	1.25%	112,946	0.86%	120,428	1.15%	84,165	0.81%
DEPRECIATION & AMORTIZATION	867,895	6.50%	721,071	5.52%	469,987	4.49%	447,073	4.30%
INTEREST EXPENSE	0	0.00%	64,104	0.49%	48,705	0.47%	57,976	0.56%
TAXES	44,622	0.33%	67,107	0.51%	52,741	0.50%	45,005	0.43%
TOTAL OPERATING EXPENSES	6,190,413	46.39%	6,361,501	48.71%	5,193,290	49.60%	4,646,642	44.73%
NET OPERATING INCOME (LOSS)	(787,172)	(5.90%)	(1,882,624)	(14.41%)	(244,677)	(2.34%)	109,260	1.05%
INVESTMENT INCOME (LOSS)	(81,876)	(0.61%)	0	0.00%	0	0.00%	0	0.00%
OTHER GAIN (LOSS)	19,512	0.15%	(12,361)	(0.09%)	(2,702)	(0.03%)	(977)	(0.01%)
NET INCOME (LOSS)	(\$849,536)	(6.37%)	(\$1,894,985)	(14.51%)	(\$247,379)	(2.36%)	\$108,283	1.04%

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**RICE MEMORIAL HOSPITAL
CONSOLIDATED CASH FLOW STATEMENT**

**FOR THE PERIOD ENDED:
December 31, 2014**

Line #	Current YTD	Prior YTD
1 Sources of Cash & Investments:		
2 Net Income	\$ (1,664,533)	\$ (3,428,030)
3 Depreciation & Amortization	8,456,571	\$ 8,099,727
4 Debt Proceeds	-	-
5 Other		
6		
7 Total Sources	<u>6,792,038</u>	<u>4,671,697</u>
8		
9 Uses		
10 Property, Plant, and Equipment - Gross	9,037,429	10,372,644
11 Debt Payments/Re-funding	1,610,423	2,946,736
12 Working Capital Changes & Other - Net	543,569	(11,659,014)
13		
14 Total Uses	<u>11,191,421</u>	<u>1,660,366</u>
15		
16 Increase / (Decrease) Cash & Investments	(4,399,383)	3,011,331
17		
18 Beginning of Period (January 1)	<u>31,952,720</u>	<u>28,941,389</u>
19		
20 End of Period	<u>\$ 27,553,337</u>	<u>\$ 31,952,720</u>

**RICE MEMORIAL HOSPITAL
STATISTICAL AND VOLUME SUMMARY
FOR THE PERIOD ENDED:
December 31, 2014**

Line #		CURRENT MONTH				2013	Act/2013	Prior	Act/Prior
		Actual	Forecast	Var.	Var. %		Var. %	3 mo avg	Var. %
1	<u>Patient Days</u>								
1	Adult Health Care	675	562	113	20.1%	528	27.8%	524	28.8%
2	Women and Children's Care	182	196	(14)	-7.1%	187	-2.7%	178	2.2%
3	ICCU	69	61	8	13.1%	62	11.3%	53	30.2%
4	Mental Health	212	226	(14)	-6.2%	204	3.9%	223	-4.9%
5	Total Adult & Peds	1,138	1,045	93	8.9%	981	16.0%	978	16.4%
6									
7	Average Daily Census	36.7	33.7	3.0	8.9%	31.6	16.0%	32.2	13.9%
8									
9	Average Length of Stay	3.68	3.78	(0.10)	-2.6%	3.72	-0.9%	3.65	0.9%
10	Average Length of Stay-CMI	3.71	3.73	(0.02)	-0.6%	3.66	1.2%	3.41	8.7%
11									
12	Admissions-Inpatient	316	277	39	14.1%	272	16.2%	267	18.4%
13	Observation patients	175	172	3	1.7%	158	10.7%	118	48.2%
14									
15	Medicare Case Mix Index	1.124	1.288	(0.165)	-12.8%	1.279	-12.2%	1.420	-20.9%
16	Case Mix Index-Total	0.994	1.014	(0.021)	-2.0%	1.015	-2.1%	1.070	-7.1%
17									
18	Adjusted Admissions	939	803	136	17.0%	782	20.1%	812	15.7%
19	Adjusted Patient Days	3,383	3,031	353	11.6%	2,821	19.9%	2,970	13.9%
20									
21	Births	66	66	-	0.0%	69	-4.3%	63	4.8%
22									
23	Rice Care Center-Days	2,278	2,300	(22)	-1.0%	1,825	24.8%	2,212	3.0%
24	Rice Care Center-Average Daily Census	73.5	74.2	(0.7)	-1.0%	58.9	24.8%	72.9	0.8%
25	Rice Care Center Case Mix Index	1.016	1.020	(0.00)	-0.4%	1.015	0.1%	1.083	-6.2%
26									
27									
28									
29	<u>Patient Days</u>								
30	Adult Health Care	6,886	6,618	268	4.0%	6,421	7.2%	6,458	6.6%
31	Women and Children's Care	2,295	2,439	(144)	-5.9%	2,492	-7.9%	2,562	-10.4%
32	ICCU	713	735	(22)	-3.0%	744	-4.2%	727	-1.9%
33	Mental Health	2,718	2,631	87	3.3%	2,569	5.8%	2,508	8.4%
34	Total Adult & Peds	12,612	12,423	189	1.5%	12,226	3.2%	12,255	2.9%
35									
36	Average Daily Census	34.6	34.0	0.5	1.5%	33.5	3.2%	33.5	3.2%
37									
38	Average Length of Stay	3.76	3.66	0.10	2.7%	3.53	6.4%	3.55	5.8%
39	Average Length of Stay-CMI	3.73	3.57	0.16	4.6%	3.49	7.0%	3.41	9.4%
40									
41	Admissions-Inpatient	3,354	3,392	(38)	-1.1%	3,457	-3.0%	3,463	-3.1%
42	Observation patients	1,603	2,049	(446)	-21.8%	1,995	-19.7%	2,498	-35.8%
43									
44	Medicare Case Mix Index	1.284	1.288	(0.005)	-0.4%	1.288	-0.4%	1.336	-3.9%
45	Case Mix Index-Total	1.008	1.014	(0.006)	-0.6%	1.014	-0.6%	1.042	-3.2%
46									
47	Adjusted Admissions	9,923	9,838	85	0.9%	10,095	-1.7%	10,326	-3.9%
48	Adjusted Patient Days	37,289	36,027	1,262	3.5%	35,714	4.4%	36,525	2.1%
49									
50	Births	785	810	(25)	-3.1%	835	-6.0%	765	2.6%
51									
52	Rice Care Center-Days	24,222	25,386	(1,164)	-4.6%	23,116	4.8%	26,529	-8.7%
53	Rice Care Center-Average Daily Census	66.4	69.6	(3.2)	-4.6%	63.3	4.8%	72.5	-8.4%
54	Rice Care Center Case Mix Index	1.055	1.020	0.03	3.4%	1.022	3.2%	1.017	3.7%

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RICE MEMORIAL HOSPITAL
STATISTICAL AND VOLUME SUMMARY
FOR THE PERIOD ENDED:
December 31, 2014

	CURRENT MONTH				2013	Act/2013	Prior	Act/Prior
	Actual	Forecast	Var.	Var. %		Var. %	3 mo avg	Var. %
Ancillary Services								
1 IP Surgeries	82	76	6	7.9%	85	-3.5%	85	-3.5%
2 OP Surgeries	190	170	20	11.8%	222	-14.4%	173	9.8%
3 Total Surgeries	272	246	26	10.6%	307	-11.4%	258	5.4%
4								
5 ER Visits-Inpatient	215	173	42	24.3%	169	27.2%	159	35.2%
6 ER Visits-Outpatient	1,110	923	187	20.3%	759	46.2%	946	17.3%
7 ER Visits-Total	1,325	1,096	229	20.9%	928	42.8%	1,105	19.9%
8								
9 Lab Tests	24,023	22,429	1,594	7.1%	22,338	7.5%	23,195	3.6%
10 Medical Imaging Procedures	1,515	1,457	58	4.0%	1,350	12.2%	1,410	7.4%
11 Radiation Oncology Treatments	202	250	(48)	-19.2%	152	32.9%	223	-9.4%
12 Medical Oncology Visits	285	236	49	20.8%	241	18.3%	244	16.8%
13								
14 Dialysis Treatments	1,017	968	49	5.1%	914	11.3%	1,003	1.4%
15 Rehab Visits	3,971	3,829	142	3.7%	3,346	18.7%	3,876	2.5%
16 Hospice Visits	1,767	1,901	(134)	-7.0%	1,814	-2.6%	1,869	-5.5%
17 Ambulance Runs	262	237	25	10.5%	209	25.4%	242	8.3%
18								
19								
20 Full Time Equivalents (FTE's)								
21 FTE's - Hospital	605	625	(20)	-3.3%	643	-6.0%	604	0.1%
22 FTE's - Care Center	92	79	13	15.9%	79	16.2%	89	2.9%
23 FTE's - Home Medical	74	87	(13)	-14.5%	83	-10.7%	74	0.6%
24 Total FTE's	771	791	(20)	-2.6%	806	-4.3%	767	0.5%
25								
26								
27								
28								
	YEAR-TO-DATE				2013	Act/Prior		Act/Prior
	Actual	Forecast	Var.	Var. %		Var. %	2012	Var. %
Ancillary Services								
30 IP Surgeries	919	1,023	(104)	-10.2%	1,053	-12.7%	1,202	-23.5%
31 OP Surgeries	2,024	2,214	(190)	-8.6%	2,302	-12.1%	2,648	-23.6%
32 Total Surgeries	2,943	3,237	(294)	-9.1%	3,355	-12.3%	3,237	-9.1%
33								
34 ER Visits-Inpatient	2,097	2,076	21	1.0%	2,048	2.4%	2,049	2.3%
35 ER Visits-Outpatient	11,347	10,866	481	4.4%	10,475	8.3%	11,176	1.5%
36 ER Visits-Total	13,444	12,942	502	3.9%	12,523	7.4%	13,225	1.7%
37								
38 Lab Tests	275,059	268,104	6,955	2.6%	267,247	2.9%	284,519	-3.3%
39 Medical Imaging Procedures	17,620	17,307	313	1.8%	16,807	4.8%	18,218	-3.3%
40 Radiation Oncology Treatments	2,965	4,008	(1,043)	-26.0%	4,441	-33.2%	6,811	-56.5%
41 Medical Oncology Visits	2,928	2,643	285	10.8%	2,516	16.4%	2,696	8.6%
42								
43 Dialysis Treatments	11,870	10,626	1,244	11.7%	9,976	19.0%	9,155	29.7%
44 Rehab Visits	46,463	45,132	1,331	2.9%	44,152	5.2%	44,410	4.6%
45 Hospice Visits	22,483	22,425	58	0.3%	22,254	1.0%	25,978	-13.5%
46 Ambulance Runs	2,902	2,721	181	6.7%	2,642	9.8%	2,623	10.6%
47								
48								
49 Full Time Equivalents (FTE's)								
50 FTE's - Hospital	618	625	(7)	-1.2%	641	-3.7%	645	-4.2%
51 FTE's - Care Center	86	79	7	9.2%	81	6.1%	86	0.7%
52 FTE's - Home Medical	78	87	(9)	-10.7%	81	-3.8%	72	7.2%
53 Total FTE's	782	791	(9)	-1.2%	803	-2.7%	803	-2.6%

**RICE MEMORIAL HOSPITAL
KEY PERFORMANCE INDICATORS**

FOR THE PERIOD ENDED:

Line #	12/31/14 Actual	2014 YTD Actual	2014 Forecast	2013 Actual	2012 Actual	2011 Actual	Industry Benchmarks
1	OPERATIONAL						
2	Operating Margin						
3	Rice Hospital	3.4%	-3.6%	1.6%	-1.5%	1.3%	5.0%
4	Rice Care Center	12.2%	6.5%	3.7%	1.0%	8.7%	-0.1%
5	Rice Home Medical	27.2%	-9.0%	4.0%	-22.5%	-3.0%	1.4%
6							
7	Consolidated Operating Margin	6.7%	-3.3%	2.0%	-3.2%	1.4%	4.4%
8							2.2%
9	Consolidated Excess Margin	7.8%	-1.8%	2.5%	-3.6%	2.4%	5.8%
10							2.8%
11	EBIDA Operating Margin	12.6%	7.1%	12.6%	7.0%	11.6%	14.6%
12							10.8%
13	FINANCIAL						
14	Debt/Capitalization Ratio		45.8%	43.3%	46.3%	43.3%	46.3%
15	Debt Service Coverage		2.4	3.2	1.8	3.0	3.5
16	Net Days in Accounts Receivable-Hospital		53	46	52	64	55
17	Days of Cash		116	117	128	114	116
18	Unrestricted Cash/Debt		57%	68%	64%	63.0%	58.6%
19	Cushion Ratio		7.7	10.1	8.9	7.1	6.3
20	Average Age of Plant		10.6	10.1	9.3	9.1	9.2
21	Financial Strength Index		(0.33)	0.79	(0.52)	0.75	1.65
22							0.30
22	PRODUCTIVITY						
23	Rice Hospital						
24							
25	Controllable Expense/Adj. Admit	\$ 8,082	\$ 8,197	\$ 7,922	\$ 8,255	\$ 8,287	\$ 7,610
26							
27	Total Operating Expense % of NPR + OOR	90.2%	93.5%	90.0%	90.0%	89.1%	85.0%
28							
29	Compensation Ratio	50.5%	55.5%	51.0%	52.6%	50.5%	48.1%
30							50%
31	FTE per Adjusted Admit	12.5	14.6	14.4	14.9	14.6	13.4
32	FTE per Adjusted Patient Day	3.5	3.9	4.1	4.2	4.1	3.8
33							4.4
34	Supply Expense per CMI Adjusted Discharge	\$ 1,065	\$ 771	\$ 744	\$ 770	\$ 755	\$ 739
35	Drug Expense per CMI Adjusted Discharge	\$ 740	\$ 584	\$ 662	\$ 684	\$ 762	\$ 614
36	Total Supply & Drug Expense per CMI Adj. Disch	\$ 1,806	\$ 1,355	\$ 1,406	\$ 1,454	\$ 1,517	\$ 1,353
37							
38	Bad Debt as % of Net Patient Revenue		2.6%	1.9%	2.0%	2.2%	2.1%
39							7.4%
40	Capital Expense (Interest + Depreciation)		9.3%	9.3%	9.1%	9.0%	9.6%
41							6.9%
42	Rice Care Center						
43	Hours per Resident Day	6.4	6.7	6.5	6.6	6.7	6.5
44							5.8
45	Total Operating Expense %	87.8%	93.5%	93.0%	99.0%	91.3%	100.1%
46							
47	Rice Home Medical						
48	Sales per FTE	\$ 220,400	\$ 171,700	\$ 191,600	\$ 161,600	\$ 144,500	\$ 158,000
49							
50	Total Operating Expense %	54.0%	115.5%	105.0%	142.0%	104.9%	97.7%
51							
52	Inventory Turns		4.9		4.7	5.8	6.0
53	Inventory Days on Hand		74		78	63	61
54							

KEY PERFORMANCE INDICATORS by ENTITY

	2011	2012	1st Qtr 2013	2nd Qtr 2013	3rd Qtr 2013	4th Qtr 2013	1st Qtr 2014	2nd Qtr 2014	3rd Qtr 2014	4th Qtr 2014	YTD 2014
Consolidated:											
Operating Margin %	4.4%	1.5%	-5.5%	-0.9%	-0.4%	-6.2%	-11.8%	-3.9%	-1.2%	2.6%	-3.3%
Excess Margin %	5.8%	2.4%	-4.4%	-2.8%	-0.7%	-6.8%	-10.4%	-2.0%	-0.4%	4.5%	-1.8%
EBIDA Operating Margin %	14.1%	10.9%	4.8%	9.1%	9.6%	3.9%	0.0%	6.7%	9.6%	11.4%	7.1%
Hospital											
Operating Margin %	5.0%	1.3%	-7.4%	5.3%	0.2%	-5.0%	-10.7%	-3.9%	-1.7%	1.4%	-3.6%
EBIDA Operating Margin %	15.0%	11.5%	3.9%	15.6%	10.8%	5.6%	1.7%	8.0%	9.9%	11.8%	8.0%
Revenue/Adj. Admission	\$ 10,120	\$ 10,214	\$ 9,856	\$ 10,417	\$ 9,840	\$ 10,283	\$ 9,839	\$ 9,840	\$ 9,631	\$ 10,179	\$ 9,878
Reimbursement Rate	48.7%	48.5%	46.4%	48.9%	46.1%	44.8%	43.6%	44.0%	43.2%	46.3%	44.3%
FTE/Adj. Admission	13.4	14.6	15.2	14.6	14.2	15.6	16.0	14.6	14.1	13.9	14.6
FTE/Adj. Patient Day	3.8	4.1	4.3	4.0	4.2	4.3	4.1	3.9	3.7	3.8	3.9
Total Expense Ratio	85.0%	89.1%	94.6%	85.1%	87.8%	93.1%	99.6%	91.3%	92.7%	90.9%	93.5%
Controllable Exp./AA	\$ 7,610	\$ 8,107	\$ 8,277	\$ 7,838	\$ 7,686	\$ 8,552	\$ 8,685	\$ 7,947	\$ 7,894	\$ 8,287	\$ 8,197
Compensation Ratio	48.1%	51.4%	56.4%	49.8%	52.3%	55.7%	61.7%	54.8%	54.4%	51.8%	55.5%
Supply & Drug Expense/CMI	\$ 1,357	\$ 1,525	\$ 1,402	\$ 1,400	\$ 1,446	\$ 1,606	\$ 1,278	\$ 1,158	\$ 1,403	\$ 1,558	\$ 1,360
AA											
Care Center											
Operating Margin %	-0.1%	8.7%	4.9%	-2.9%	1.0%	0.9%	-0.9%	6.1%	8.7%	10.4%	6.5%
EBIDA Operating Margin %	6.8%	15.4%	11.2%	3.9%	7.8%	10.1%	10.4%	16.3%	19.7%	21.5%	17.4%
Case Mix	1.06	1.02	1.02	1.04	1.01	1.01	1.03	1.05	1.09	1.05	1.05
Total Revenue/Day	\$ 212.1	\$ 273.6	\$ 302.9	\$ 291.8	\$ 296.1	\$ 313.2	\$ 328.0	\$ 345.4	\$ 321.7	\$ 337.8	\$ 333.1
Controllable Exp./Day	\$ 186.5	\$ 216.2	\$ 251.4	\$ 262.9	\$ 254.3	\$ 262.4	\$ 273.6	\$ 269.8	\$ 242.0	\$ 249.2	\$ 257.4
Total Expense %	100.1%	91.3%	95.1%	102.9%	99.0%	99.1%	100.9%	93.9%	91.3%	89.6%	93.5%
Operating Margin/Day	\$ (0.3)	\$ 23.7	\$ 14.4	\$ (8.7)	\$ 3.1	\$ 3.2	\$ (2.7)	\$ 21.0	\$ 28.0	\$ 35.1	\$ 21.6
Hours/Resident Day	6.1	6.2	6.4	6.5	6.8	6.7	7.0	7.1	6.6	6.4	6.7
Home Medical											
Operating Margin %	1.4%	-3.0%	2.7%	-118.8%	-6.2%	-20.7%	-31.3%	-12.2%	-4.7%	6.2%	-9.0%
EBIDA Operating Margin %	7.7%	3.4%	9.2%	-103.1%	3.4%	-11.4%	-14.9%	-2.5%	7.5%	7.7%	0.4%
Net Sales % / Gross Sales	76.3%	76.9%	77.9%	37.0%	73.4%	64.4%	66.5%	69.4%	69.8%	70.2%	69.1%
Gross Profit %	60.6%	61.5%	64.2%	23.9%	58.9%	52.5%	58.0%	56.0%	58.6%	59.9%	58.2%
Total Expense %	97.7%	104.9%	95.7%	598.5%	110.6%	139.5%	154.0%	121.7%	108.2%	89.5%	115.5%
Sales/FTE	\$ 158,081	\$ 144,516	\$ 155,564	\$ 147,234	\$ 167,657	\$ 175,516	\$ 138,895	\$ 168,199	\$ 181,452	\$ 202,410	\$ 162,314

Rice Memorial Hospital
 Financial Statements
 January 31, 2015
Executive Summary

January was a positive month in terms of actual financial performance with Rice generating a gain on operations. Total Patient Revenues were 5.4% greater than the three-month average in January with Total Operating Revenues only 0.1% greater and Net Operating Expenses 0.7% greater yielding Net Operating Income of \$168,000 for the month. The primary reason for the lower profitability even though activity was up was an increase in patient revenues from governmental sources.

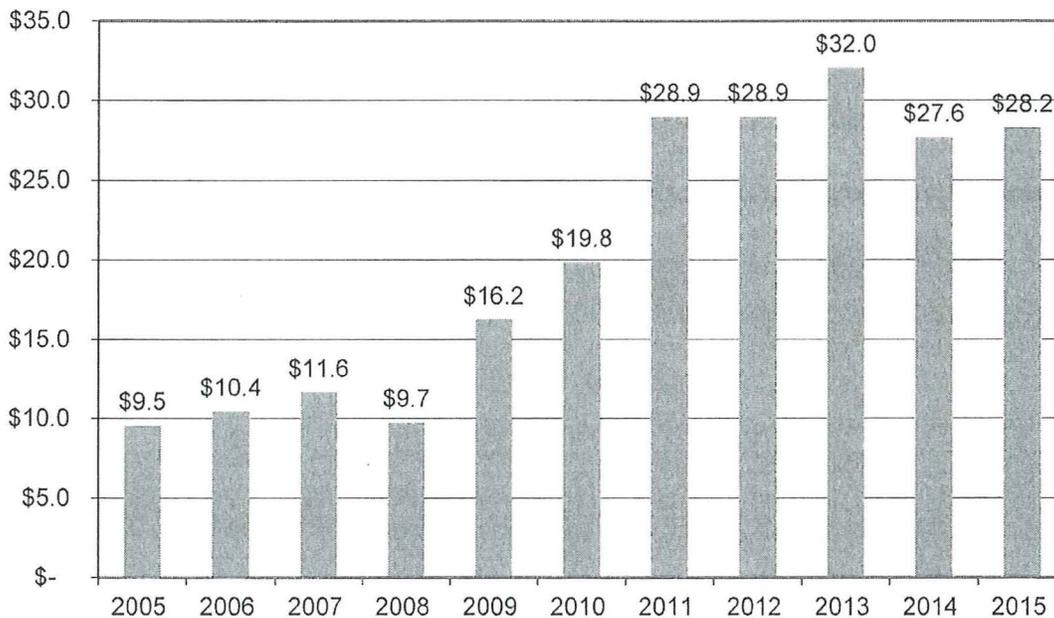
Here is a summary of key financial indicators:

	<u>Actual</u>	<u>Target</u>	<u>2014</u>	<u>2013</u>	<u>Benchmark</u>	<u>Actual - YTD</u>	<u>Desired</u>	
Operating Margin-Month	2.0%	1.8%				↑	↑	
Operating Margin-YTD	2.0%	1.8%	-3.3%	-3.2%	2.2%	↑		
Excess Margin-Month	6.4%	2.6%				↑		
Excess Margin-YTD	6.4%	2.6%	-1.8%	-3.6%	2.8%	↑		
EBIDA Margin-Month	12.3%	12.6%				↔		
EBIDA Margin-YTD	12.3%	12.6%	7.1%	7.0%	10.8%	↑		
Debt/Capitalization	45.3%	44.5%	45.8%	46.3%	38.7%	↑		↓
Net Days of Receivables	51	48	53	52	46	↑		↓
Days of Cash	117	119	116	128	131	↔		↑
Cash/Debt	59%	62%	57%	64%	87%	↔		↑

January 31, 2014 Balance Sheet:

The January Balance Sheet realized an increase in Net Assets of \$715,000 from December 31, 2014. Total Assets have increased \$1.2 million while Total Liabilities have increased \$510,000. The Total Asset increase was due to an increase in Current Assets of \$708,000; a decrease in Property, Plant, and Equipment of \$432,000; and an increase in Other Assets of \$950,000. The increase in Current Assets was due to increases in Cash, Receivables, and Prepaid Expenses. Property, Plant, and Equipment has decreased due to lower spending than depreciation. Other Assets have increased due to General Investment gains and the investment in Willmar Medical Services. Cash & General Investments have increased \$599,000 since December 31, 2014 due to positive Operations and Investment gains.

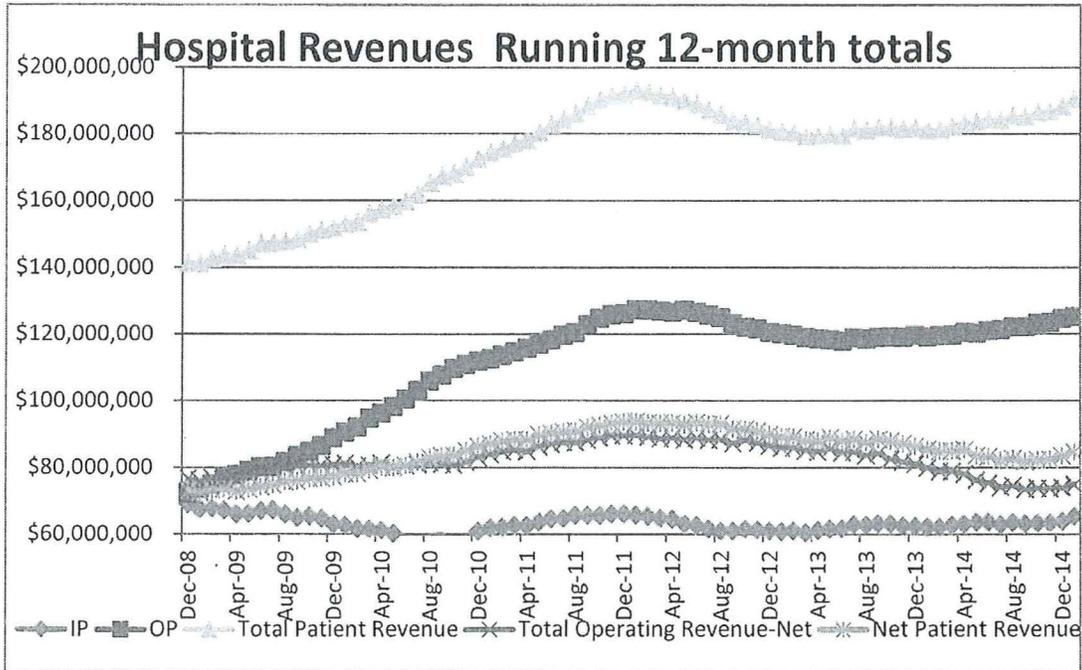
**Cash & General Investments
(\$millions)**



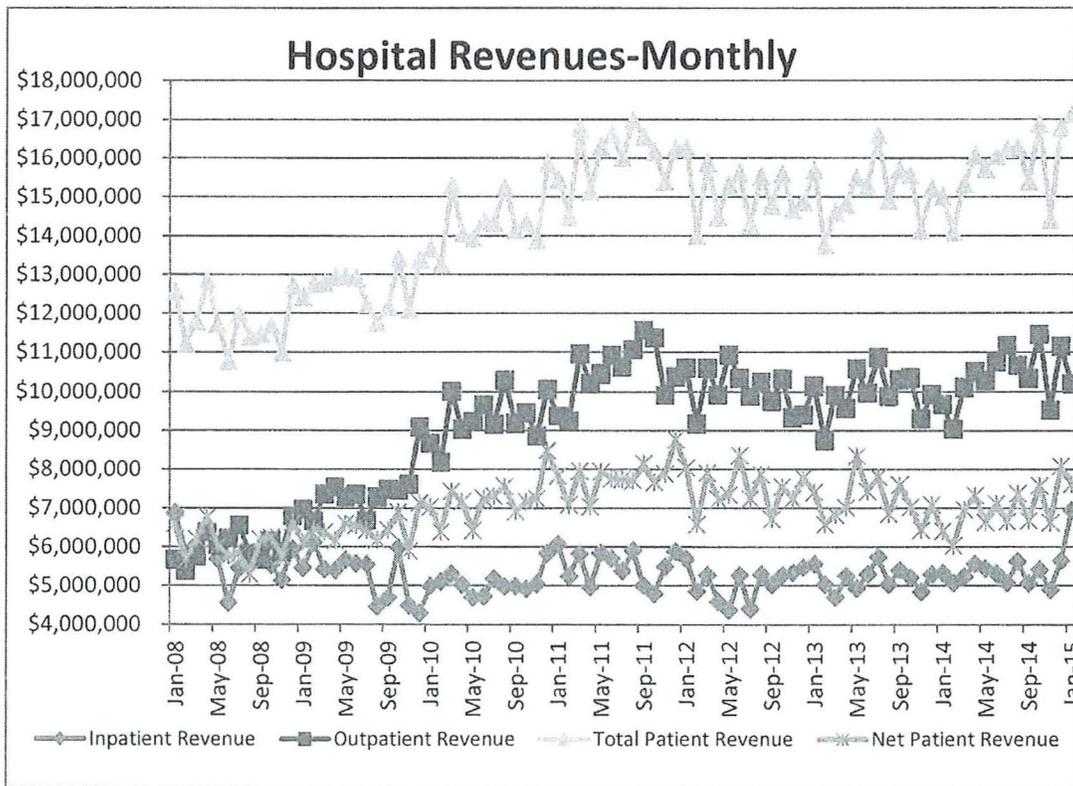
Liabilities have increased due to amounts due WMS but offset by the January Care Center Debt Service payment. In the Net Asset section, Specific Purpose Funds have increased along with an increase in profitability.

January 2015 Results:

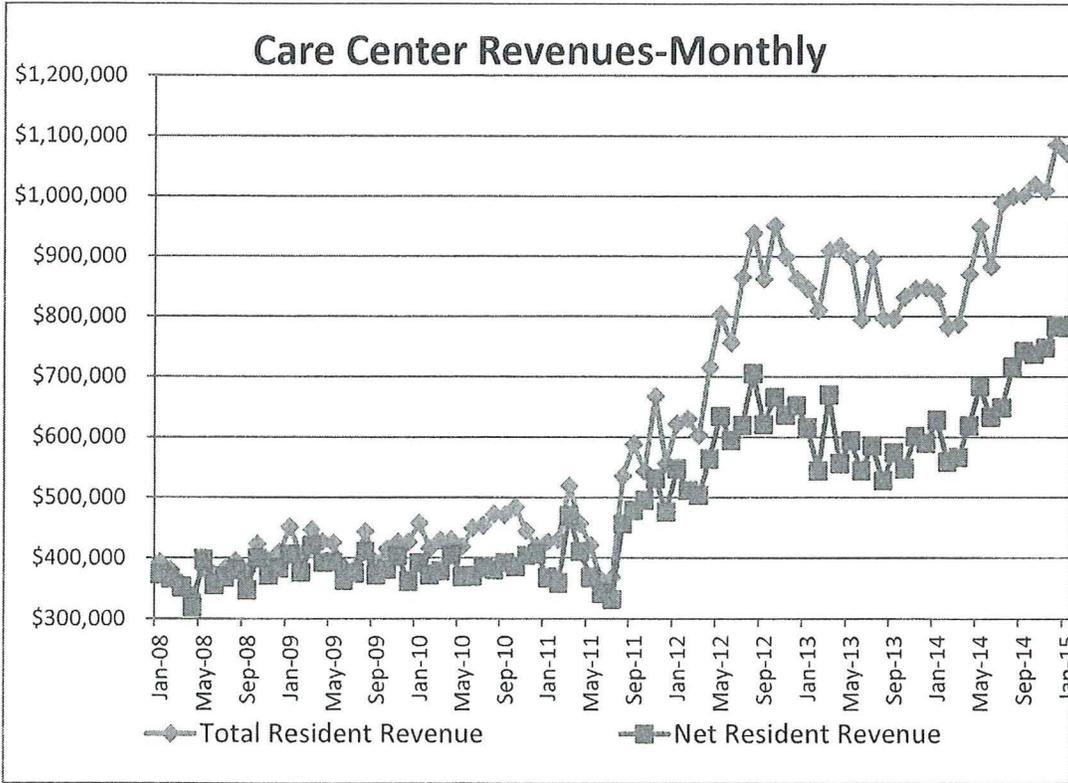
The overall Net Operating Income was \$168,000 compared to the prior three-month average Operating Income of \$213,000. Total Patient Revenues were 5.4% higher than the 3-month average while Total Operating Revenues were only 0.1% higher than the average. Hospital Total Operating Revenues were 1.4% higher than the average with Inpatient Revenues 30.6% higher than average and Outpatient Revenues 4.8% lower than the average. As shown in the graph below, Total Patient Revenues have been trending upward for the past year but Total Operating Revenues have flattened meaning that activity has increased but reimbursement has decreased.



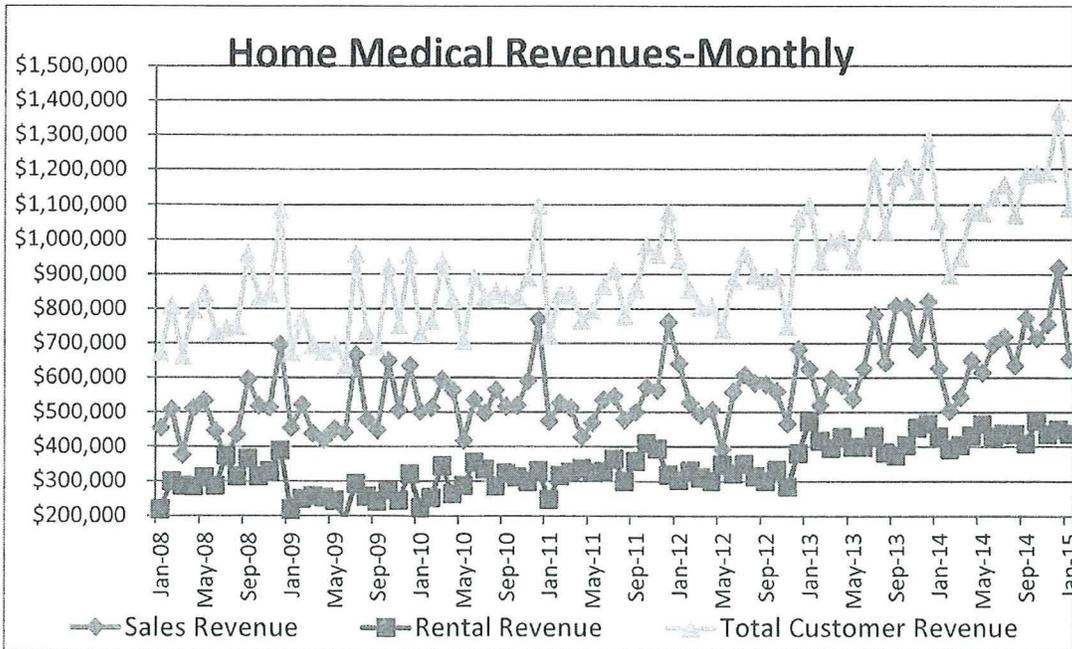
The monthly Hospital Revenues increased slightly in January. The Total Patient and Outpatient Revenue lines had been trending up the last few months with Inpatient Revenues relatively flat over the past year with the exception of January's spike upward.



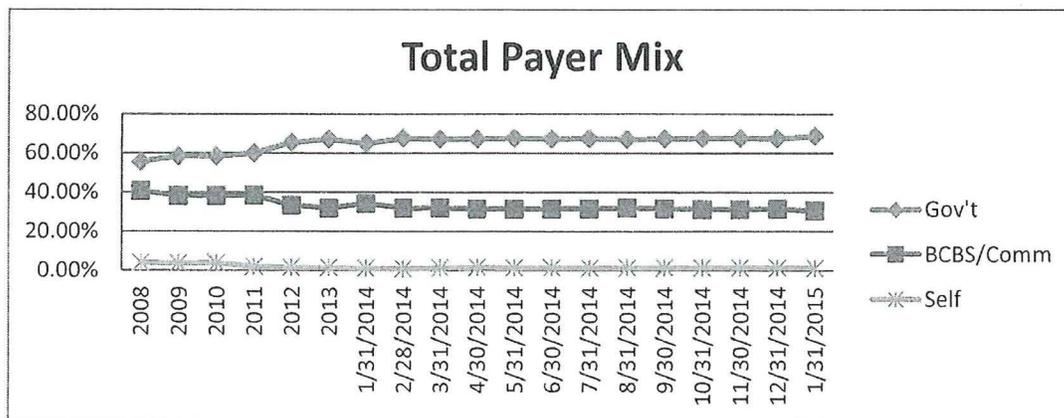
Care Center Total Operating Revenues were higher than average by 3.1% for the month with Total Resident Revenues slightly less than \$1.1 million.



Home Medical Total Customer Revenues decreased significantly in January compared to December and were 12.5% less than average. Sales Revenues decreased \$263,000 in January while Rental Revenues were slightly lower. However, Revenues were 3.6% higher this January compared to a year ago.



Total Deductions from Revenue were 9.3% greater than the three-month average which was due to increased patient activity and an uptick in Medicare Revenues. The Hospital's reimbursement rate for the month was 44.48% compared to the 2014 rate of 44.31% and the 4th Quarter 2014 rate of 46.32%. As shown in the Payer Mix graph, Government sources of Revenue increased in January by 1.23 percentage points.



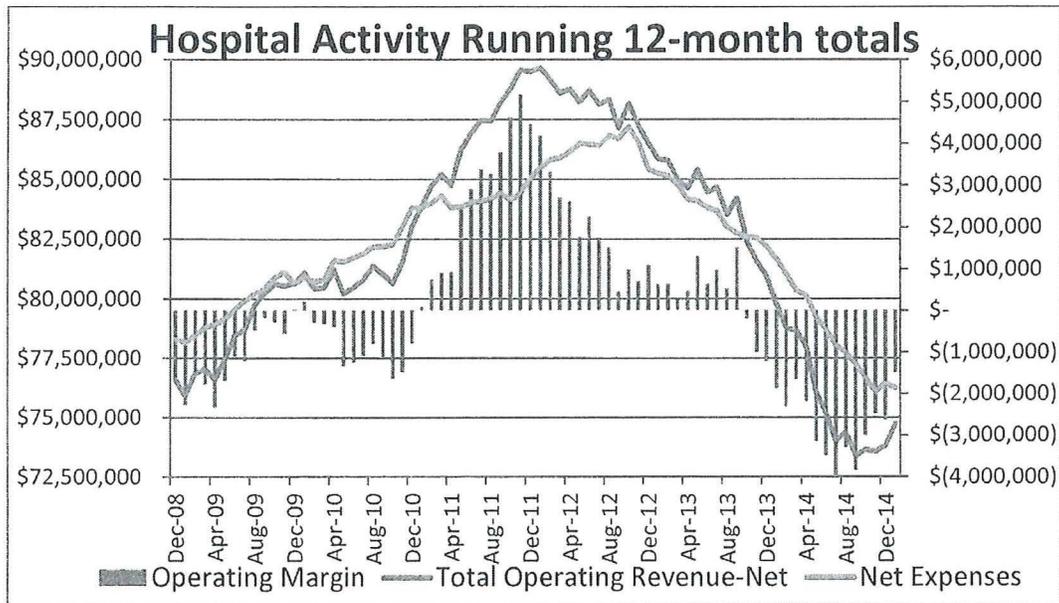
Other operating revenues were 10.6% less than the average due to lower activity. Net WMS activity at Rice was less than the average by 1.0% due to lower patient activity.

Net Expenses were \$8.0 million, 0.7% greater than the three-month average. Expenses were mixed for the month with Salaries 7.0% (\$271,000) greater than average, Contract Labor 16.4% (\$48,000) greater than average, and Benefits 10.1% (\$114,000) greater than average. Salaries were higher due to increased activity and PTO accruals; Contract Labor was higher due Medical Oncology accruals; and Benefits were higher due to health insurance costs, payroll taxes, and PERA. The Hospital Compensation Ratio was 56.6% for the month compared to the target of 50%.

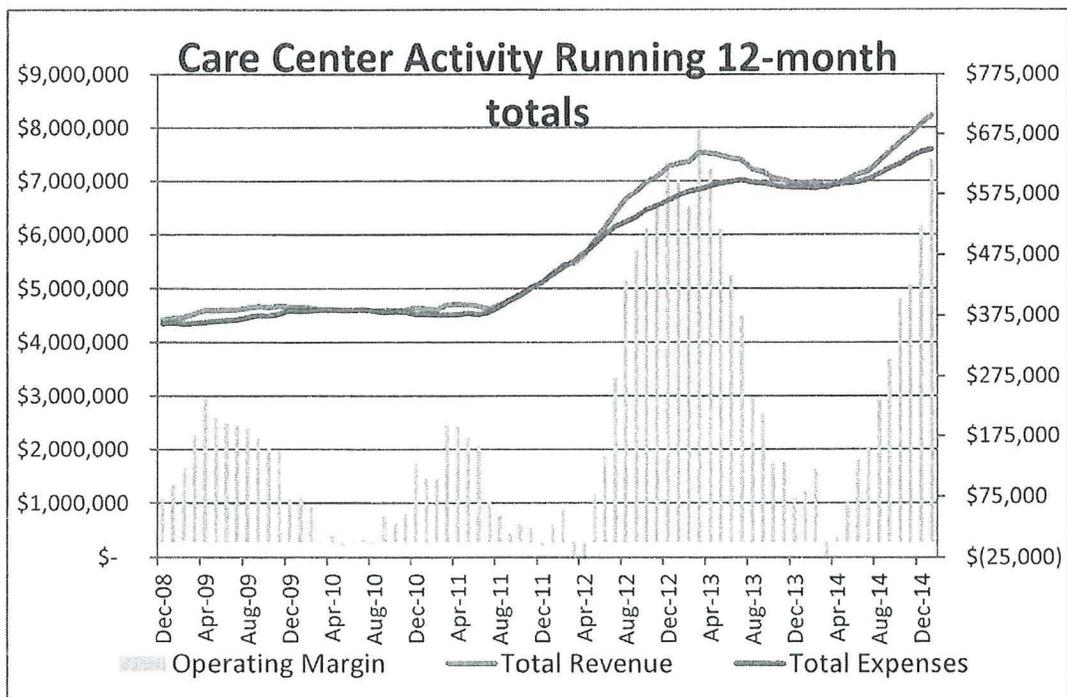
Supplies were 27.2% (\$226,000) lower than average due to Surgery, Laboratory, and Imaging. Drugs were 12.3% (\$77,000) lower than average due to Oncology activity. Purchased Services were 21.8% (\$150,000) lower due to numerous departments; Repairs & Rentals 8.9% (\$26,000) lower due to numerous departments; Utilities 9.8% higher; Insurance 3.9% higher; Patient Related Travel 18.2% lower; Education, Travel, and Dues 21.3% higher due to numerous departments; and Other 16.4% lower. Total Hospital Controllable Costs were \$7.0 million, approximating the average, even with the increased patient activity. Capital Costs were higher with Depreciation 10.1% higher and Interest 1.1% lower. Taxes were 7.5% higher due to increased cash receipts.

Non-operating activity was higher than the three-month average by \$223,000. Investment Income was \$39,000 higher and Unrealized Gains were \$203,000 higher.

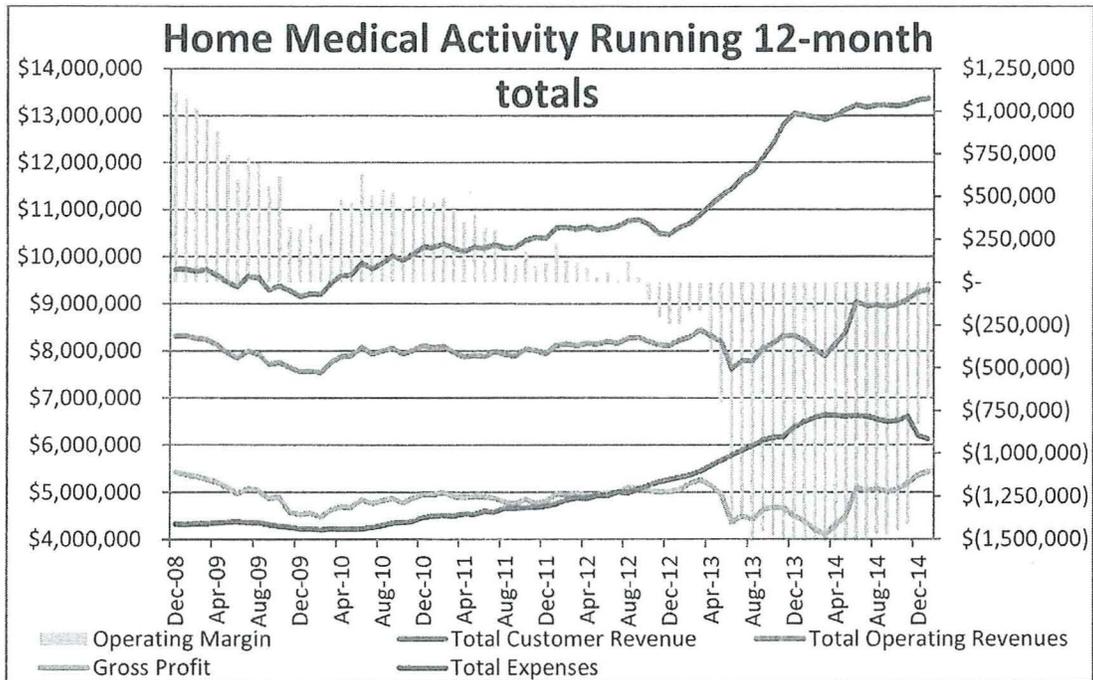
The Hospital generated Operating Income of \$79,000 compared to average Operating Income of \$85,000. Total Operating Revenues were higher than average by 1.4% while Net Operating Expenses were 1.5% greater than average.



Care Center activity generated Operating Income of \$118,000 compared to average Operating Income of \$78,000. Net Resident Revenues were 2.2% higher than average with Net Operating Expenses 2.0% lower than average.



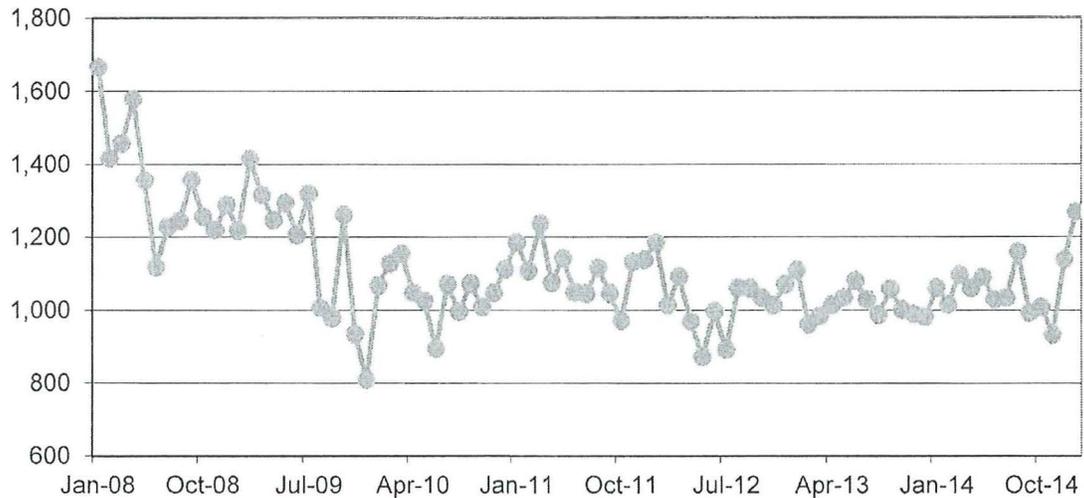
Home Medical activity generated Operating Losses of \$21,000 compared to average Operating Income of \$55,000. However, this compared positively to January 2014's Operating Loss of \$174,000. Total Operating Revenues were 12.1% lower than average while Expenses were 3.5% lower than average.



Statistical and Volume Summary

Patient days were 213 (20.2%) greater than forecast with admissions 44 (15.7%) greater than forecast yielding an increase in length of stay of 6.2% and a 9.2% increase in the case-mix adjusted length of stay. Compared to the prior year, patient days were 19.7% higher with admissions 19.5% higher. The average daily census for the month was 40.9 compared to forecast of 34.1; 34.2 last year; and higher than the 33.5 monthly average.

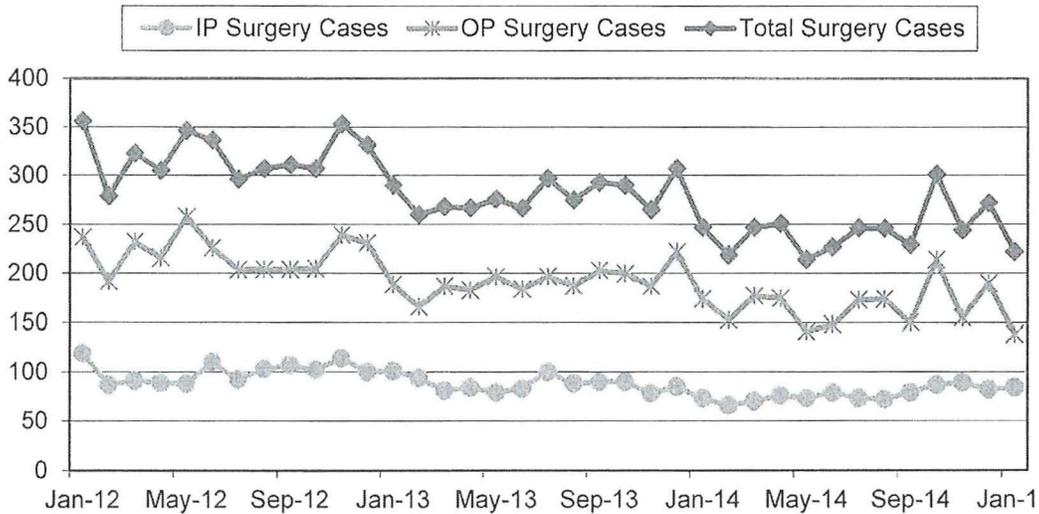
Hospital Patient Days



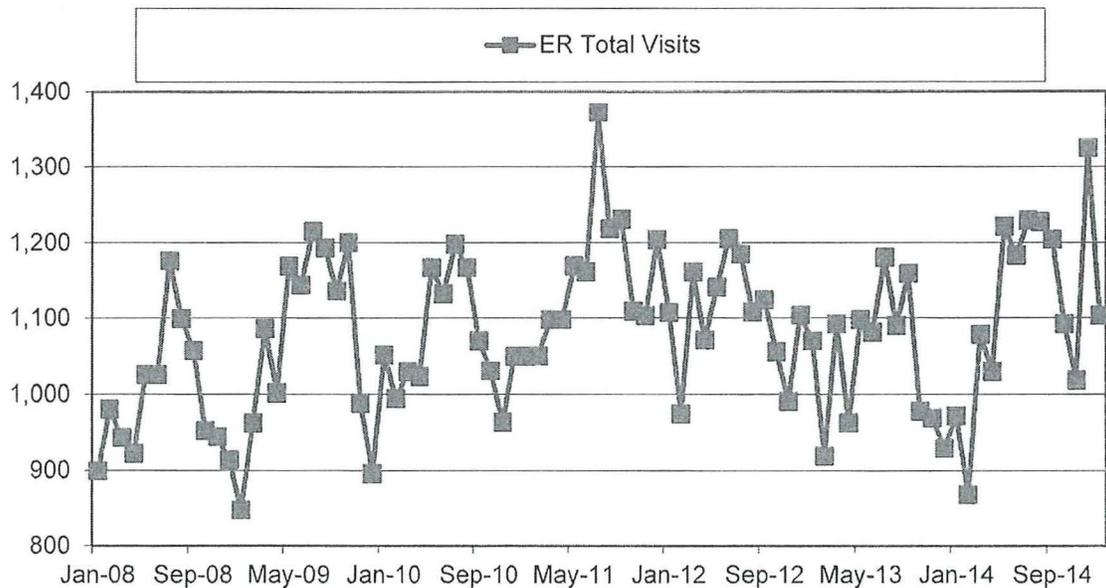
The Medicare case mix was 2.8% less than forecast and 11.4% less than last year. The overall case mix was 2.8% less than forecast and 4.5% less than last year. Overall activity as measured in adjusted admissions was 1.6% lower than forecast but 4.8% higher than last year while adjusted patient days were 2.3% higher than forecast and 5.0% greater than last year. Care Center resident days were 1.5% less than forecast with a 73.9

average daily census. Case mix for the month was 10.5% greater than forecast, 13.7% greater than last year, and 10.1% higher than the average.

Ancillary departments were mixed for the month. Surgery & GI cases were 7.1% less than forecast, 10.1% less than last year, and 18.4% less than the three-month average. Inpatient activity was 13.5% greater than forecast and 15.1% greater than last year while Outpatient activity was 16.4% less than forecast and 20.7% less than last year.



Emergency Room visits were 1.3% less than forecast for the month but 13.6% higher than last year and 3.7% less than the three-month average.



Monthly Laboratory tests were 5.2% greater than forecast, 5.6% greater than last year, but 1.2% less than average. Medical Imaging procedures were 1.5% greater than forecast, 9.1% greater than last year, and 3.1% greater than average. Radiation Oncology treatments were 29.0% less than forecast, 9.0% less than last year, and 15.4% less than average. Medical Oncology visits were 2.1% less than forecast, 0.9% less than last year, and 12.5% less than average. Dialysis treatments were 4.6% greater than forecast, 6.0%

greater than last year, and 2.3% greater than average; Rehab visits were 0.1% greater than forecast, 11.9% greater than last year, but 3.6% less than average; Hospice visits were 14.4% less than forecast, 5.8% less than last year, and 9.2% less than average; and Ambulance runs were 6.6% greater than forecast, the same as last year, and 5.7% greater than average.

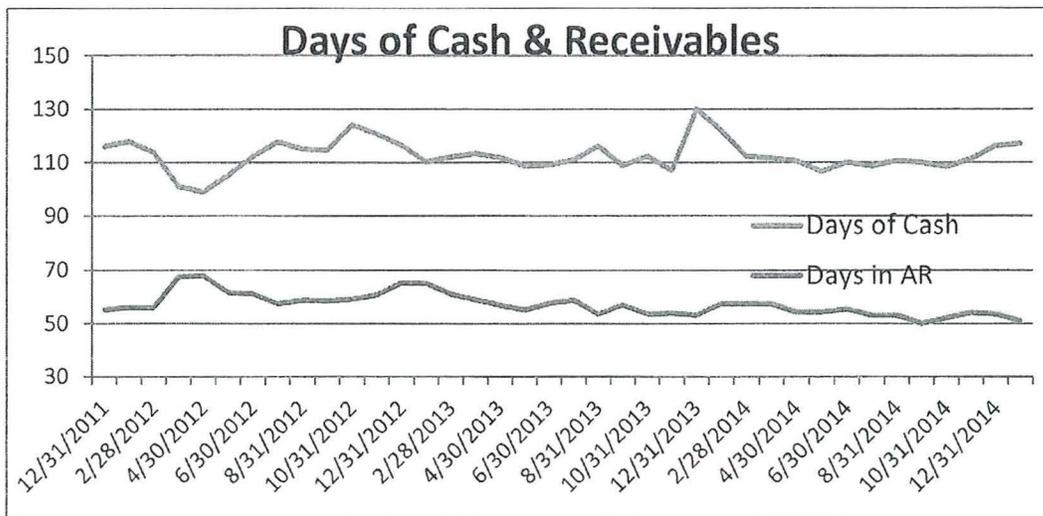
Full Time Equivalents (FTE's) for the month were 781 compared to a forecast of 767, a negative variance of 1.8%. This compared to last year's total of 792 (1.3% lower) and the three month average of 769 (1.6% higher). Hospital FTE's were 0.8% greater than forecast, 2.9% less than last year, and 1.2% higher than average. Care Center FTE's were 10.2% greater than forecast, 18.7% greater than last year and 4.7% greater than average. Home Medical FTE's were at forecast, 9.1% less than last year, and 1.4% higher than average.

Key Performance Indicators

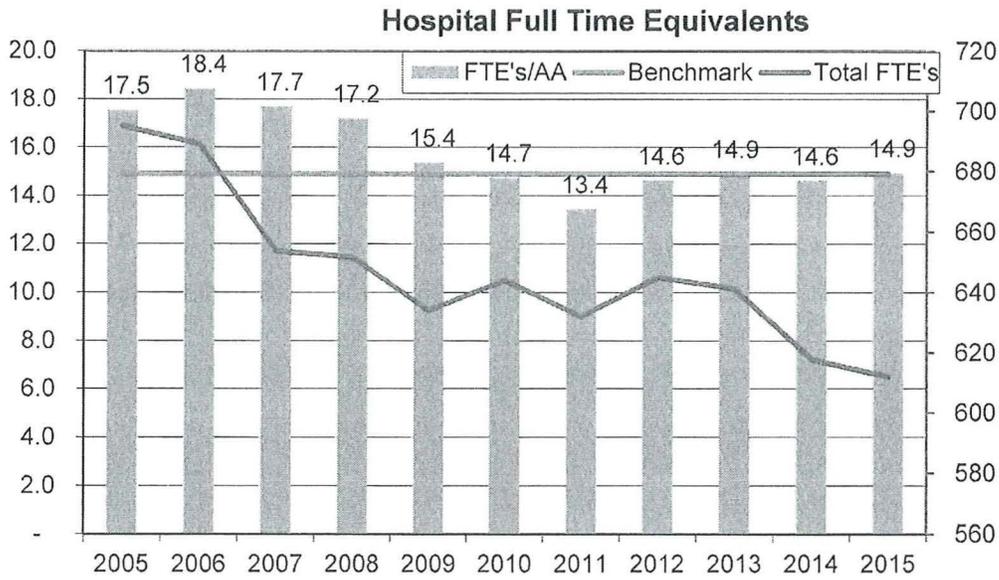
The Operational indicators were positive for the month compared to forecast and last year. Consolidated Operating Margin was 2.0% for the month compared to the forecast of 1.8% and last year's -3.3%. Excess Margin was 6.4% for the month compared to the forecast of 2.6% and last year's -1.8%. EBIDA Operating Margin was 12.3% for the month compared to the forecast of 12.6% and last year's 7.1%.

The Financial ratios indicate that the Debt/Capitalization ratio of 45.3% was lower than last month but still higher than the forecast of 44.5%; lower than last year's 45.8%, but higher than the targeted ceiling of 45%. Debt Service Coverage was 4.5 compared to the forecast of 3.0 and last year's 2.4. The Cash/Debt ratio was 59% compared to the forecast of 62% and last year's 57%. The Financial Strength Index was 1.73 compared to the forecast of 1.0 and -0.33 last year.

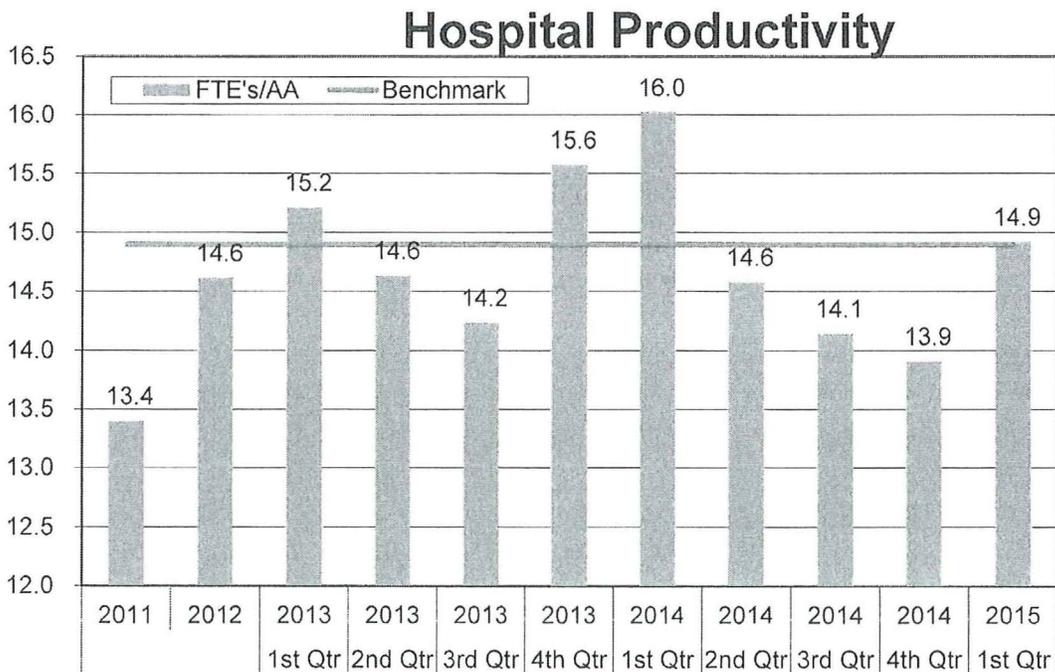
Days in accounts receivable were 51 compared to the forecast of 48 and last year's 53. Days of Cash were 117 compared to the forecast of 119 and last year's 116.



Hospital productivity ratios in terms of staffing were higher than the forecast with FTE's per adjusted admit at 14.9 for the month compared to the forecast of 14.4 and last year's ratio of 14.6. FTE's per adjusted patient day were 3.8 for the month compared to the forecast of 4.1 and 3.9 last year.



Comparing 1st Quarter productivity to the prior quarters, the Hospital Productivity ratio was higher than 4th Quarter 2014 but significantly improved from 1st Quarter 2014 and 4th Quarter 2013.



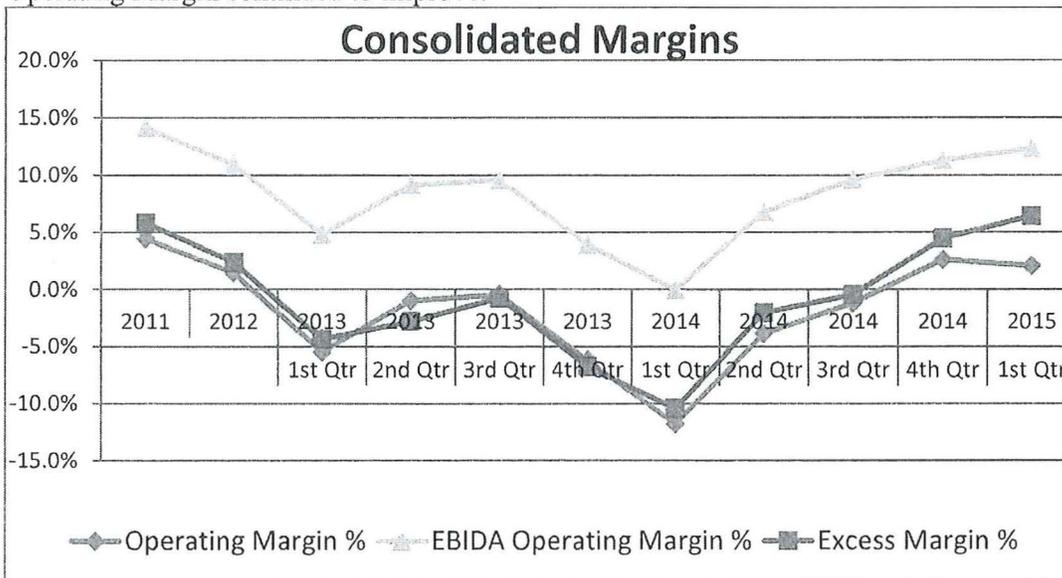
The Hospital Total Operating Expense Ratio (Line 27) was 90.1% for the month compared to the forecast of 90% and last year's 93.5%. Bad Debt ratio was 1.8% YTD compared to the 2.0% forecast and significantly better than the benchmark of 7.4%. Capital Expense ratio was 8.7% YTD compared to 9.0% forecast, 9.3% last year, and the benchmark of 6.9%.

Care Center Hours per Resident Day were 6.6 for the month compared to the forecast of 6.5 and 6.7 last year. The Care Center's Total Operating Expense Ratio (Line 45) was 84.9% for the month; 91.3% Forecast; and 93.5% in 2014.

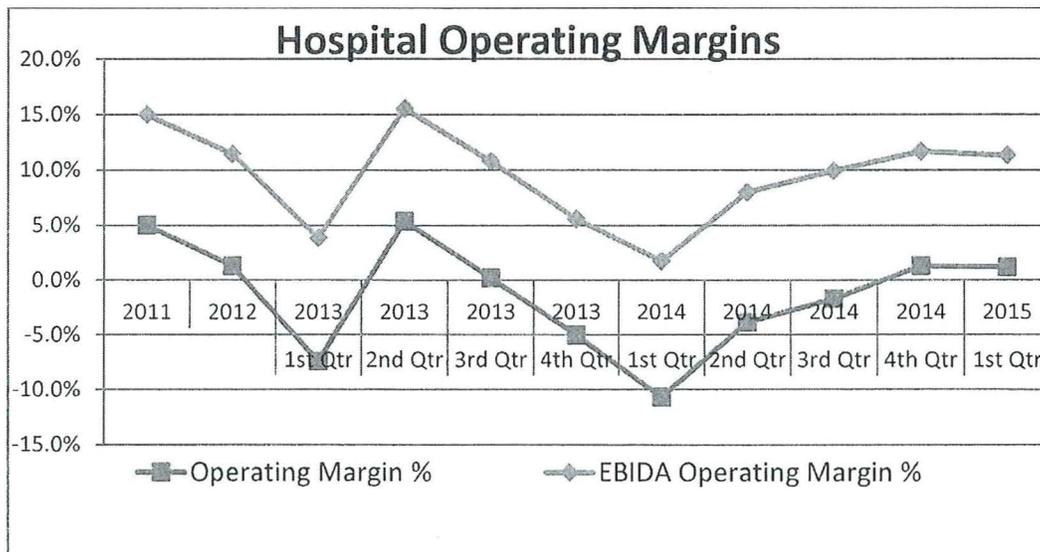
Sales per FTE at Home Medical were \$174,700 for the month compared to the forecast of \$191,600 and \$171,700 last year. Home Medical's Total Operating Expense Ratio (Line 50) was 104.4% for the month; 96.8% Forecast; and 115.5% in 2014. Inventory Turns were 4.0 YTD compared to 4.9 last year.

Key Performance Indicators by Entity

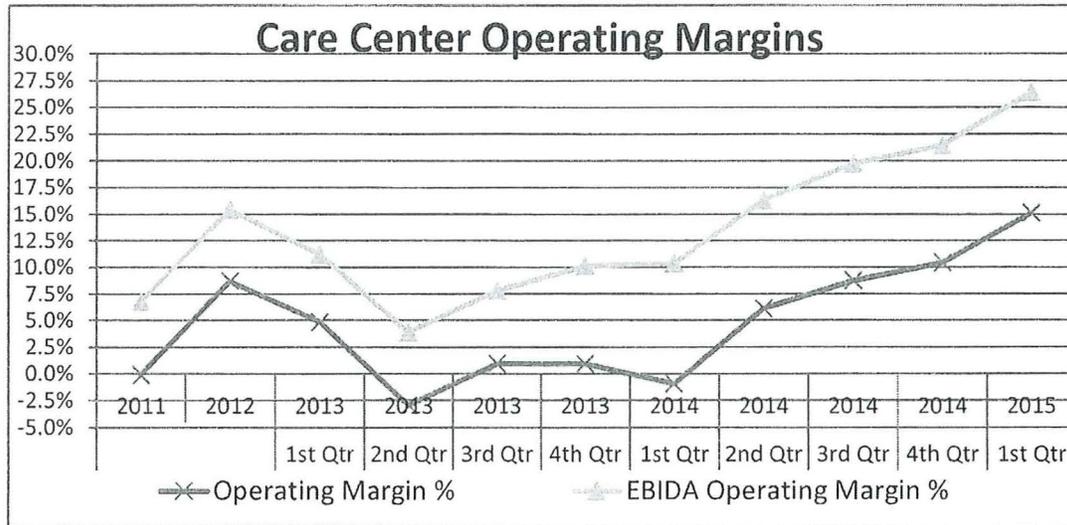
The Consolidated Margins were mixed in 1st Quarter 2015 compared to 4th Quarter 2014 but still positive. Operating Income declined slightly but Excess Margin and EBIDA Operating Margin continued to improve.



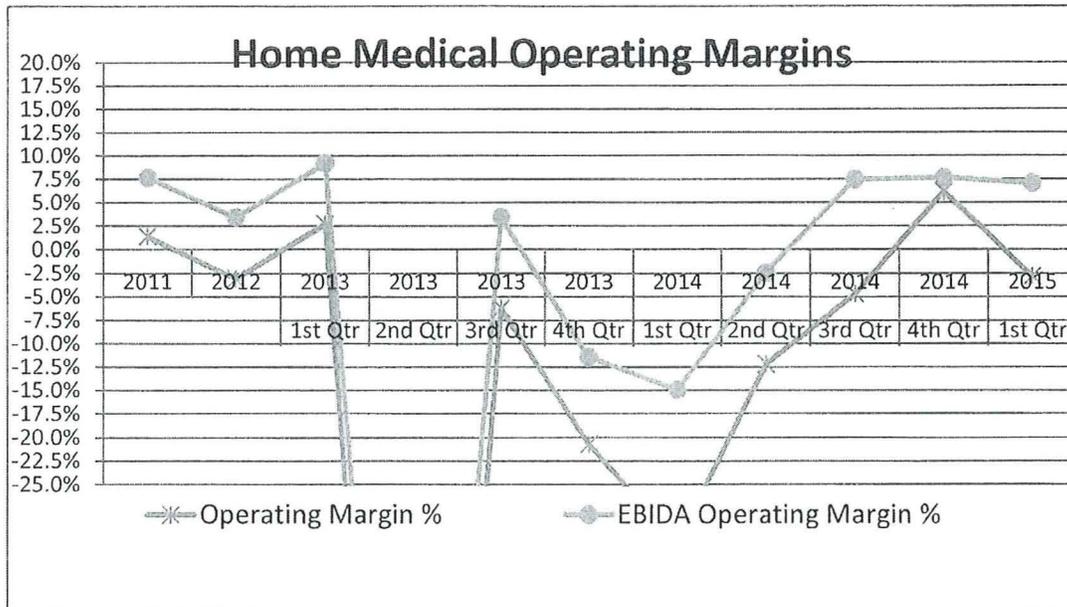
The Hospital activity declined slightly in 1st Quarter 2015 compared to 4th Quarter 2014, although still positive. Increased volumes and decreased expenses contributed to the positive results.



Care Center activity has steadily improved and was higher than any prior period. The nearly full census and opening of the new short-stay beds have contributed to the positive results.



Home Medical financial performance declined in 1st Quarter 2015 due to lower activity compared to 4th Quarter 2014 but was still significantly improved from a year ago.



**RICE MEMORIAL HOSPITAL
CONSOLIDATED
BALANCE SHEET
For the Month Ending January 31, 2015**

	January 2015	12/31/14	Variance	12/31/13	Variance	12/31/12	Variance
1 ASSETS							
2 CURRENT ASSETS							
3 CASH AND CASH EQUIVALENTS	\$2,690,799	\$2,440,442	\$250,356	\$9,355,434	(\$6,664,636)	\$2,999,489	(\$308,690)
4 TRUSTEE BOND AGREEMENTS - CURRENT	2,645,703	2,757,540	(111,838)	2,379,838	265,865	2,393,907	251,796
5 ACCOUNTS RECEIVABLE NET	15,030,294	14,720,163	310,131	14,513,548	516,746	18,416,955	(3,386,661)
6 OTHER RECEIVABLES	508,338	548,759	(40,421)	437,453	70,886	626,156	(117,817)
7 INVENTORY	2,009,438	1,974,860	34,578	2,117,850	(108,412)	1,881,543	127,895
8 PREPAID EXPENSES	1,142,769	877,299	265,470	991,750	151,019	1,080,525	62,245
10 TOTAL CURRENT ASSETS	24,027,341	23,319,065	708,276	29,795,874	(5,768,533)	27,398,573	(3,371,232)
11 ASSETS LIMITED AS TO USE							
12 HELD BY TRUSTEES - BOND AGREEMENTS	3,776,634	3,776,634		3,571,279	205,356	3,181,089	595,545
15 REMAINDER UNITRUST - RECEIVABLE	47,522	47,522		47,522		43,996	3,526
16 ENDOWMENT FUND - INVESTMENTS	3,061,232	3,061,232		2,960,184	101,048	2,616,990	444,242
18 TOTAL ASSETS - USE IS LIMITED	6,885,388	6,885,388		6,578,984	306,404	5,842,075	1,043,313
19 PROPERTY PLANT & EQUIPMENT							
20 PROPERTY PLANT & EQUIPMENT	142,790,454	142,634,962	155,492	136,903,754	5,886,700	132,297,068	10,493,386
22 LESS: ACCUMULATED DEPRECIATION	(81,462,127)	(80,874,221)	(587,906)	(75,712,695)	(5,749,432)	(72,741,611)	(8,720,516)
24 NET PROPERTY, PLANT & EQUIPME	61,328,327	61,760,741	(432,414)	61,191,059	137,268	59,555,457	1,772,870
25 OTHER ASSETS							
26 INVESTMENTS - FIXED INCOME	25,462,334	25,106,026	356,308	22,595,563	2,866,771	25,941,901	(479,566)
28 INVESTMENTS - SHR	459,048	459,048		439,455		425,186	33,862
29 INVESTMENTS - WMS	4,869,043	4,269,043	600,000	3,769,317	1,099,726	3,647,124	1,221,918
30 INVESTMENTS - LAKE REGION HMS	11,941	18,125	(6,184)			11,941	
30 INVESTMENTS - VHAUM CSC	54,963	54,963		54,963		79,963	(25,000)
32 GOODWILL, NET	83,276	83,389	(113)	84,722	(1,447)	86,056	(2,780)
33 DEFERRED DEBT ACQUISITION COSTS						200,398	(200,398)
36 TOTAL OTHER ASSETS	30,940,604	29,990,593	950,011	26,944,020	3,996,585	30,380,628	559,976
38 TOTAL ASSETS	\$123,181,660	\$121,955,787	\$1,225,873	\$124,509,937	(\$1,328,277)	\$123,176,733	\$4,928
40 LIABILITIES AND NET ASSETS							
41 CURRENT LIABILITIES							
43 CURRENT MATURITIES OF LTD	\$1,944,520	\$1,944,520		\$1,730,232	\$214,288	\$2,290,275	(\$345,755)
44 ACCOUNTS PAYABLE - TRADE	1,762,036	1,849,471	(87,436)	1,939,719	(177,683)	1,730,604	31,432
45 EST. THIRD PARTY PAYOR SETTLEMENTS	(188,000)	(188,000)		192,060	(380,060)	(29,504)	(158,496)
46 ACCRUED SALARIES, WAGES AND BENEFITS	10,978,676	11,471,484	(492,807)	11,131,571	(152,894)	10,992,653	(13,977)
47 ACCRUED INTEREST AND DUE TO WMS	3,752,468	2,225,849	1,526,618	2,093,781	1,638,687	2,089,775	1,662,693
49 TOTAL CURRENT LIABILITIES	18,249,700	17,303,325	946,375	17,087,362	1,162,338	17,073,804	1,175,897
50 LONG TERM DEBT (LESS CURRENT)	47,510,337	47,945,859	(435,522)	49,770,570	(2,260,233)	45,957,263	1,553,074
53 TOTAL LIABILITIES	65,760,037	65,249,184	510,854	66,857,932	(1,097,895)	63,031,067	2,728,971
54 COMMITMENTS AND CONTINGENCIES							
56 NET ASSETS							
58 RESTRICTED FUNDS							
59 DEBT SERVICE AND RESERVE	3,776,634	3,776,634		3,571,279	205,356	3,181,089	595,545
60 SPECIFIC PURPOSE FUND	378,747	216,568	162,179	270,286	108,461	88,338	290,410
61 PERMANENT ENDOWMENT	3,061,232	3,061,232		2,960,184	101,048	2,616,990	444,242
62 CURRENT YEAR INCOME	552,840	(1,677,986)	2,230,827	(3,426,313)	3,979,153	2,430,598	(1,877,758)
63 UNRESTRICTED	49,652,169	51,330,156	(1,677,986)	54,276,569	(4,624,400)	51,828,651	(2,176,482)
65 TOTAL NET ASSETS	57,421,623	56,706,604	715,020	57,652,005	(230,381)	60,145,666	(2,724,043)
67 TOTAL LIABILITIES AND NET ASSET	\$123,181,660	\$121,955,787	\$1,225,873	\$124,509,937	(\$1,328,277)	\$123,176,733	\$4,928

13

RICE MEMORIAL HOSPITAL CONSOLIDATED
For the Month Ending

	January 2015	Prior 3 Mo Average	% Var	December 2014	% Var	November 2014	% Var	October 2014	% Var
OPERATING REVENUE									
INPATIENT REVENUE	\$6,941,736	\$5,316,416	30.6%	\$5,648,411	22.9%	\$4,887,829	42.0%	\$5,413,007	28.2%
OUTPATIENT REVENUE	10,191,767	10,708,272	(4.8%)	11,144,797	(8.6%)	9,525,843	7.0%	11,454,176	(11.0%)
RICE CARE CENTER REVENUE	1,070,686	1,038,067	3.1%	1,085,844	(1.4%)	1,008,957	6.1%	1,019,400	5.0%
RICE HOME MEDICAL REVENUE	1,092,015	1,248,064	(12.5%)	1,366,555	(20.1%)	1,189,619	(8.2%)	1,188,019	(8.1%)
TOTAL PATIENT REVENUE	19,296,204	18,310,819	5.4%	19,245,607	0.3%	16,612,248	16.2%	19,074,602	1.2%
LESS DISCOUNTS & CONTRACTUALS	9,962,766	8,960,175	11.2%	9,165,953	8.7%	8,157,394	22.1%	9,557,179	4.2%
LESS UNCOMPENSATED CARE	13,284	74,762	(82.2%)	116,221	(88.6%)	45,905	(71.1%)	62,160	(78.6%)
LESS BAD DEBT EXPENSE	144,077	220,877	(34.8%)	156,101	(7.7%)	221,593	(35.0%)	284,936	(49.4%)
TOTAL DEDUCTIONS FROM REVENUE	10,120,127	9,255,814	9.3%	9,438,275	7.2%	8,424,892	20.1%	9,904,275	2.2%
NET REVENUE FROM PATIENTS	9,176,077	9,055,005	1.3%	9,807,332	(6.4%)	8,187,356	12.1%	9,170,327	0.1%
OTHER OPERATING REVENUE	1,130,291	1,264,162	(10.6%)	1,241,642	(9.0%)	1,289,042	(12.3%)	1,261,802	(10.4%)
TOTAL OPERATING REVENUE	10,306,368	10,319,167	(0.1%)	11,048,974	(6.7%)	9,476,398	8.8%	10,432,129	(1.2%)
LESS: WILLMAR MEDICAL SERVICES OPERATING REVENUE	2,044,765	2,065,249	(1.0%)	2,025,500	1.0%	1,937,521	5.5%	2,232,725	(8.4%)
TOTAL OPERATING REVENUE	8,261,603	8,253,918	0.1%	9,023,474	(8.4%)	7,538,877	9.6%	8,199,404	0.8%
OPERATING EXPENSES									
SALARIES AND WAGES	4,131,436	3,860,767	7.0%	3,964,754	4.2%	3,696,239	11.8%	3,921,308	5.4%
CONTRACT LABOR	343,492	295,066	16.4%	295,657	16.2%	285,052	20.5%	304,490	12.8%
SUPPLEMENTAL BENEFITS	1,253,972	1,139,001	10.1%	1,277,724	(1.9%)	1,039,251	20.7%	1,100,029	14.0%
SUPPLIES	871,251	1,197,115	(27.2%)	1,415,710	(38.5%)	1,049,443	(17.0%)	1,126,193	(22.6%)
DRUGS	550,176	627,007	(12.3%)	698,093	(21.2%)	598,898	(8.1%)	584,031	(5.8%)
PURCHASED SERVICES	536,773	686,144	(21.8%)	746,997	(28.1%)	686,851	(21.9%)	624,583	(14.1%)
REPAIRS, SERVICE & RENTALS	263,590	289,416	(8.9%)	289,868	(9.1%)	281,324	(6.3%)	297,056	(11.3%)
UTILITIES	153,861	140,089	9.8%	137,596	11.8%	137,926	11.6%	144,745	6.3%
INSURANCE	52,664	50,686	3.9%	49,170	7.1%	52,602	0.1%	50,287	4.7%
PATIENT RELATED TRAVEL	26,484	32,390	(18.2%)	28,302	(6.4%)	32,576	(18.7%)	36,292	(27.0%)
EDUCATION, TRAVEL, & DUES	94,402	77,854	21.3%	88,458	6.7%	66,361	42.3%	78,742	19.9%
OTHER	41,907	50,138	(16.4%)	45,119	(7.1%)	53,459	(21.6%)	51,836	(19.2%)
DEPRECIATION AND AMORT	698,979	634,634	10.1%	452,264	54.6%	693,590	0.8%	758,048	(7.8%)
INTEREST	149,052	150,646	(1.1%)	150,811	(1.2%)	149,877	(0.6%)	151,250	(1.5%)
TAXES & SURCHARGE	186,108	173,051	7.5%	155,148	20.0%	191,011	(2.6%)	172,993	7.6%
TOTAL OPERATING EXPENSES	9,354,147	9,404,005	(0.5%)	9,795,671	(4.5%)	9,014,460	3.8%	9,401,883	(0.5%)
LESS: WILLMAR MEDICAL SERVICES OPERATING EXPENSES	1,261,467	1,364,037	(7.5%)	1,358,873	(7.2%)	1,342,445	(6.0%)	1,390,792	(9.3%)
NET OPERATING EXPENSES	8,092,680	8,039,968	0.7%	8,436,798	(4.1%)	7,672,015	5.5%	8,011,091	1.0%
OPERATING INCOME (LOSS)	168,923	213,950	(21.0%)	586,676	(71.2%)	(133,138)	(226.9%)	188,313	(10.3%)
NON OPERATING INCOME									
INVESTMENT INCOME	110,514	71,266	55.1%	96,957	14.0%	57,946	90.7%	58,895	87.6%
UNREALIZED GAIN (LOSS)	273,162	70,534	287.3%	15,201	1,697.0%	(13,756)	(2,085.8%)	210,158	30.0%
OTHER GAIN (LOSS)	240	18,457	(98.7%)	2,079	(88.5%)	45,165	(99.5%)	8,126	(97.0%)
TOTAL NON OPERATING INCOME	383,916	160,257	139.6%	114,237	236.1%	89,355	329.7%	277,179	38.5%
NET INCOME (LOSS)	\$552,839	\$374,207	47.7%	\$700,913	(21.1%)	(\$43,783)	(1,362.7%)	\$465,492	18.8%

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RICE HOSPITAL
For the Month Ending

	January 2015	Prior 3 Mo Average	% Var	December 2014	% Var	November 2014	% Var	October 2014	% Var
OPERATING REVENUE									
INPATIENT REVENUE	\$6,941,736	\$5,316,416	30.6%	\$5,648,411	22.9%	\$4,887,829	42.0%	\$5,413,007	28.2%
OUTPATIENT REVENUE	10,191,768	10,708,272	(4.8%)	11,144,797	(8.6%)	9,525,843	7.0%	11,454,175	(11.0%)
TOTAL PATIENT REVENUE	17,133,504	16,024,687	6.9%	16,793,208	2.0%	14,413,672	18.9%	16,867,182	1.6%
LESS DISCOUNTS & CONTRACTUALS	9,359,209	8,313,883	12.6%	8,455,498	10.7%	7,537,198	24.2%	8,948,953	4.6%
LESS UNCOMPENSATED CARE	13,195	74,739	(82.3%)	116,184	(88.6%)	45,873	(71.2%)	62,160	(78.8%)
LESS BAD DEBT EXPENSE	139,982	213,485	(34.4%)	145,689	(3.9%)	214,636	(34.8%)	280,129	(50.0%)
TOTAL DEDUCTIONS FROM REVENUE	9,512,386	8,602,107	10.6%	8,717,371	9.1%	7,797,707	22.0%	9,291,242	2.4%
NET REVENUE FROM PATIENTS	7,621,118	7,422,581	2.7%	8,075,837	(5.6%)	6,615,965	15.2%	7,575,940	0.6%
OTHER OPERATING REVENUE	1,125,478	1,255,096	(10.3%)	1,230,190	(8.5%)	1,283,442	(12.3%)	1,251,657	(10.1%)
TOTAL OPERATING REVENUE	8,746,596	8,677,677	0.8%	9,306,027	(6.0%)	7,899,407	10.7%	8,827,597	(0.9%)
LESS: WILLMAR MEDICAL SERVICES OPERATING REVENUE	2,044,765	2,065,249	(1.0%)	2,025,500	1.0%	1,937,521	5.5%	2,232,725	(8.4%)
TOTAL OPERATING REVENUE	6,701,831	6,612,428	1.4%	7,280,527	(7.9%)	5,961,886	12.4%	6,594,872	1.6%
OPERATING EXPENSES									
SALARIES AND WAGES	3,618,038	3,359,440	7.7%	3,408,960	6.1%	3,228,774	12.1%	3,440,585	5.2%
CONTRACT LABOR	235,724	194,081	21.5%	188,848	24.8%	186,605	26.3%	206,791	14.0%
SUPPLEMENTAL BENEFITS	1,095,162	938,336	16.7%	1,104,348	(0.8%)	820,575	33.5%	890,086	23.0%
SUPPLIES	536,540	780,396	(31.2%)	972,455	(44.8%)	658,478	(18.5%)	710,255	(24.5%)
DRUGS	527,589	605,434	(12.9%)	675,760	(21.9%)	576,947	(8.6%)	563,594	(6.4%)
PURCHASED SERVICES	499,752	645,624	(22.6%)	709,203	(29.5%)	647,229	(22.8%)	580,439	(13.9%)
REPAIRS, SERVICE & RENTALS	237,559	263,127	(9.7%)	261,057	(9.0%)	254,060	(6.5%)	274,265	(13.4%)
UTILITIES	128,777	117,249	9.8%	110,468	16.6%	116,026	11.0%	125,254	2.8%
INSURANCE	45,187	43,197	4.6%	41,692	8.4%	45,107	0.2%	42,792	5.6%
PATIENT RELATED TRAVEL	19,840	20,251	(2.0%)	20,221	(1.9%)	19,477	1.9%	21,055	(5.8%)
EDUCATION, TRAVEL, & DUES	89,098	71,025	25.4%	82,794	7.6%	59,067	50.8%	71,213	25.1%
OTHER	21,247	31,161	(31.8%)	30,670	(30.7%)	32,108	(33.8%)	30,704	(30.8%)
DEPRECIATION AND AMORT	559,707	565,881	(1.1%)	559,321	0.1%	537,823	4.1%	600,500	(6.8%)
INTEREST	122,644	122,967	(0.3%)	123,131	(0.4%)	122,198	0.4%	123,571	(0.8%)
TAXES & SURCHARGE	147,389	133,199	10.7%	115,546	27.6%	151,409	(2.7%)	132,642	11.1%
TOTAL OPERATING EXPENSES	7,884,253	7,891,368	(0.1%)	8,404,474	(6.2%)	7,455,883	5.7%	7,813,746	0.9%
LESS: WILLMAR MEDICAL SERVICES OPERATING EXPENSES	1,261,467	1,364,037	(7.5%)	1,358,873	(7.2%)	1,342,445	(6.0%)	1,390,792	(9.3%)
NET OPERATING EXPENSES	6,622,786	6,527,331	1.5%	7,045,601	(6.0%)	6,113,438	8.3%	6,422,954	3.1%
OPERATING INCOME (LOSS)	79,045	85,097	(7.1%)	234,926	(66.4%)	(151,552)	(152.2%)	171,918	(54.0%)
NON OPERATING INCOME									
INVESTMENT INCOME	109,164	68,504	59.4%	91,790	18.9%	56,386	93.6%	57,335	90.4%
UNREALIZED GAIN (LOSS)	273,162	70,534	287.3%	15,201	1,697.0%	(13,756)	(2,085.8%)	210,158	30.0%
OTHER GAIN (LOSS)	240	15,152	(98.4%)		0.0%	45,165	(99.5%)	290	(17.2%)
TOTAL NON OPERATING INCOME	382,566	154,190	148.1%	106,991	257.6%	87,795	335.7%	267,783	42.9%
NET INCOME (LOSS)	\$461,611	\$239,287	92.9%	\$341,917	35.0%	(\$63,757)	(824.0%)	\$439,701	5.0%

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RICE CARE CENTER
For the Month Ending

	January 2015	Prior 3 Mo Average	% Var	December 2014	% Var	November 2014	% Var	October 2014	% Var
OPERATING REVENUE									
RICE CARE CENTER REVENUE	\$1,070,686	\$1,038,067	3.1%	\$1,085,844	(1.4%)	\$1,008,957	6.1%	\$1,019,400	5.0%
TOTAL PATIENT REVENUE	1,070,686	1,038,067	3.1%	1,085,844	(1.4%)	1,008,957	6.1%	1,019,400	5.0%
LESS DISCOUNTS & CONTRACTUALS	288,040	281,324	2.4%	301,024	(4.3%)	261,144	10.3%	281,805	2.2%
LESS BAD DEBT EXPENSE	605	988	(38.8%)	1,797	(66.3%)	477	26.8%	689	(12.2%)
TOTAL DEDUCTIONS FROM REVENUE	288,645	282,312	2.2%	302,821	(4.7%)	261,621	10.3%	282,494	2.2%
NET REVENUE FROM PATIENTS	782,041	755,755	3.5%	783,023	(0.1%)	747,336	4.6%	736,906	6.1%
OTHER OPERATING REVENUE	561	1,300	(56.8%)	2,764	(79.7%)	707	(20.7%)	429	30.8%
TOTAL OPERATING REVENUE	782,602	757,055	3.4%	785,787	(0.4%)	748,043	4.6%	737,335	6.1%
LESS: WILLMAR MEDICAL SERVICES									
TOTAL OPERATING REVENUE	782,602	757,055	3.4%	785,787	(0.4%)	748,043	4.6%	737,335	6.1%
OPERATING EXPENSES									
SALARIES AND WAGES	265,231	248,887	6.6%	267,919	(1.0%)	239,373	10.8%	239,370	10.8%
CONTRACT LABOR	107,767	100,797	6.9%	106,809	0.9%	98,446	9.5%	97,135	10.9%
SUPPLEMENTAL BENEFITS	64,536	99,320	(35.0%)	86,264	(25.2%)	110,916	(41.8%)	100,780	(36.0%)
SUPPLIES	43,475	43,980	(1.1%)	41,997	3.5%	40,106	8.4%	49,837	(12.8%)
DRUGS	22,386	21,516	4.0%	22,334	0.2%	21,801	2.7%	20,412	9.7%
PURCHASED SERVICES	11,144	15,507	(28.1%)	13,229	(15.8%)	14,180	(21.4%)	19,112	(41.7%)
REPAIRS, SERVICE & RENTALS	6,334	6,397	(1.0%)	7,423	(14.7%)	8,348	(24.1%)	3,421	85.2%
UTILITIES	13,954	12,748	9.5%	14,925	(6.5%)	12,918	8.0%	10,401	34.2%
INSURANCE	3,401	3,412	(0.3%)	3,401	0.0%	3,417	(0.5%)	3,417	(0.5%)
PATIENT RELATED TRAVEL	819	440	86.1%	336	143.8%	150	446.0%	834	(1.8%)
EDUCATION, TRAVEL, & DUES	1,942	4,822	(59.7%)	4,824	(59.7%)	4,887	(60.3%)	4,755	(59.2%)
OTHER		581	(100.0%)	760	(100.0%)	564	(100.0%)	419	(100.0%)
DEPRECIATION AND AMORT	62,164	56,021	11.0%	56,496	10.0%	54,439	14.2%	57,128	8.8%
INTEREST	26,408	27,679	(4.6%)	27,679	(4.6%)	27,679	(4.6%)	27,679	(4.6%)
TAXES & SURCHARGE	35,000	36,133	(3.1%)	35,883	(2.5%)	35,883	(2.5%)	36,633	(4.5%)
TOTAL OPERATING EXPENSES	664,561	678,240	(2.0%)	690,279	(3.7%)	673,107	(1.3%)	671,333	(1.0%)
LESS: WILLMAR MEDICAL SERVICES									
NET OPERATING EXPENSES	664,561	678,240	(2.0%)	690,279	(3.7%)	673,107	(1.3%)	671,333	(1.0%)
OPERATING INCOME (LOSS)	118,041	78,815	49.8%	95,508	23.6%	74,936	57.5%	66,002	78.8%
NON OPERATING INCOME									
INVESTMENT INCOME	1,350	2,763	(51.1%)	5,169	(73.9%)	1,560	(13.5%)	1,560	(13.5%)
TOTAL NON OPERATING INCOME	1,350	2,763	(51.1%)	5,169	(73.9%)	1,560	(13.5%)	1,560	(13.5%)
NET INCOME (LOSS)	\$119,391	\$81,578	46.4%	\$100,677	18.6%	\$76,496	56.1%	\$67,562	76.7%

RICE HOME MEDICAL
RICE HOME MEDICAL
For the Month Ending January 31, 2015

	January 2015	% of Gross Sales	Prior 3 Mo Average	% of Gross Sales	December 2014	% of Gross Sales	November 2014	% of Gross Sales
GROSS SALES								
SALES REVENUE	\$654,386	59.92%	\$795,034	63.70%	\$917,857	67.17%	\$753,524	63.34%
RENTS REVENUE	437,629	40.08%	453,030	36.30%	448,698	32.83%	436,095	36.66%
GROSS SALES	1,092,015	100.00%	1,248,064	100.00%	1,366,555	100.00%	1,189,619	100.00%
LESS: CONTRACTUAL ALLOWANCES	(315,516)	(28.89%)	(364,968)	(29.24%)	(409,430)	(29.96%)	(359,052)	(30.18%)
LESS: UNCOMPENSATED CARE	(88)	(0.01%)	(23)	0.00%	(37)	0.00%	(32)	0.00%
LESS: BAD DEBT EXPENSE	(3,490)	(0.32%)	(6,404)	(0.51%)	(8,614)	(0.63%)	(6,479)	(0.54%)
NET SALES	772,920	70.78%	876,670	70.24%	948,473	69.41%	824,056	69.27%
COST OF GOODS SOLD								
OXYGEN	6,026	0.55%	6,723	0.54%	7,041	0.52%	6,919	0.58%
EQUIPMENT	52,261	4.79%	91,610	7.34%	101,046	7.39%	89,211	7.50%
SUPPLY - FREIGHT	13,401	1.23%	14,510	1.16%	15,773	1.15%	12,962	1.09%
SUPPLY	195,651	17.92%	213,600	17.11%	227,795	16.67%	189,950	15.97%
EQUIPMENT REPAIR	10,454	0.96%	33,690	2.70%	39,885	2.92%	35,660	3.00%
SHOP EXPENSE	953	0.09%	1,519	0.12%	771	0.06%	1,094	0.09%
EQUIPMENT RENTAL & LEASES	3,628	0.33%	2,703	0.22%	2,774	0.20%	2,561	0.22%
PURCHASE DISCOUNTS	(2,989)	(0.27%)	(5,416)	(0.43%)	(4,125)	(0.30%)	(4,092)	(0.34%)
TOTAL COST OF GOODS SOLD	279,385	25.58%	358,939	28.76%	390,960	28.61%	334,265	28.10%
GROSS PROFIT	493,535	45.19%	517,731	41.48%	557,513	40.80%	489,791	41.17%
OTHER OPERATING REVENUE	7,446	0.68%	7,371	0.59%	8,415	0.62%	6,638	0.56%
TOTAL OPERATING REVENUE	500,981	45.88%	525,102	42.07%	565,927	41.41%	496,429	41.73%
OPERATING EXPENSES								
SALARIES & WAGES	248,167	22.73%	252,440	20.23%	287,875	21.07%	228,093	19.17%
CONTRACT LABOR	0	0.00%	188	0.02%	0	0.00%	0	0.00%
SUPPLEMENTAL BENEFITS	94,274	8.63%	101,345	8.12%	87,112	6.37%	107,760	9.06%
SUPPLIES AND DRUGS	9,063	0.83%	8,442	0.68%	6,173	0.45%	12,651	1.06%
PURCHASED SERVICES	25,877	2.37%	25,013	2.00%	24,565	1.80%	25,442	2.14%
REPAIRS, SERVICE & RENTALS	19,697	1.80%	19,892	1.59%	21,388	1.57%	18,916	1.59%
UTILITIES	11,130	1.02%	10,092	0.81%	12,203	0.89%	8,981	0.75%
INSURANCE	4,077	0.37%	4,078	0.33%	4,078	0.30%	4,078	0.34%
PATIENT RELATED TRAVEL	5,825	0.53%	11,699	0.94%	7,745	0.57%	12,949	1.09%
EDUCATION, TRAVEL, & DUES	3,362	0.31%	2,007	0.16%	839	0.06%	2,406	0.20%
OTHER EXPENSE	20,660	1.89%	18,396	1.47%	13,689	1.00%	20,788	1.75%
DEPRECIATION & AMORTIZATION	77,107	7.06%	12,732	1.02%	(163,552)	(11.97%)	101,328	8.52%
TAXES	3,718	0.34%	3,718	0.30%	3,718	0.27%	3,718	0.31%
TOTAL OPERATING EXPENSES	522,958	47.89%	470,042	37.66%	305,833	22.38%	547,110	45.99%
NET OPERATING INCOME (LOSS)	(21,977)	(2.01%)	55,060	4.41%	260,094	19.03%	(50,681)	(4.26%)
INVESTMENT INCOME (LOSS)	(6,184)	(0.57%)	(5,022)	(0.40%)	(3,851)	(0.28%)	(5,838)	(0.49%)
OTHER GAIN (LOSS)	0	0.00%	3,304	0.26%	2,077	0.15%	0	0.00%
NET INCOME (LOSS)	(\$28,160)	(2.58%)	\$53,343	4.27%	\$258,320	18.90%	(\$56,519)	(4.75%)

RICE MEMORIAL HOSPITAL CONSOLIDATED
For the Year To Date Period Ending

	January 2015	January 2014	% Var	January 2013	% Var	January 2012	% Var
OPERATING REVENUE							
INPATIENT REVENUE	\$6,941,736	\$5,330,834	30.2%	\$5,560,058	24.9%	\$5,695,275	21.9%
OUTPATIENT REVENUE	10,191,767	9,671,408	5.4%	10,130,287	0.6%	10,592,065	(3.8%)
RICE CARE CENTER REVENUE	1,070,686	837,973	27.8%	846,087	26.5%	622,030	72.1%
RICE HOME MEDICAL REVENUE	1,092,015	1,054,342	3.6%	1,097,012	(0.5%)	943,194	15.8%
TOTAL PATIENT REVENUE	19,296,204	16,894,557	14.2%	17,633,444	9.4%	17,852,564	8.1%
LESS DISCOUNTS & CONTRACTUALS	9,962,766	8,782,102	13.4%	8,626,481	15.5%	8,424,397	18.3%
LESS UNCOMPENSATED CARE	13,284	180,504	(92.6%)	142,662	(90.7%)	103,433	(87.2%)
LESS BAD DEBT EXPENSE	144,077	177,433	(18.8%)	125,000	15.3%	132,067	9.1%
TOTAL DEDUCTIONS FROM REVENUE	10,120,127	9,140,039	10.7%	8,894,143	13.8%	8,659,897	16.9%
NET REVENUE FROM PATIENTS	9,176,077	7,754,518	18.3%	8,739,301	5.0%	9,192,667	(0.2%)
OTHER OPERATING REVENUE	1,130,291	1,204,710	(6.2%)	1,285,373	(12.1%)	1,409,937	(19.8%)
TOTAL OPERATING REVENUE	10,306,368	8,959,228	15.0%	10,024,674	2.8%	10,602,604	(2.8%)
LESS: WILLMAR MEDICAL SERVICES OPERATING REVENUE	2,044,765	1,821,554	12.3%	1,761,713	16.1%	1,856,285	10.2%
TOTAL OPERATING REVENUE	8,261,603	7,137,674	15.7%	8,262,961	0.0%	8,746,319	(5.5%)
OPERATING EXPENSES							
SALARIES AND WAGES	4,131,436	3,955,028	4.5%	4,016,738	2.9%	3,942,265	4.8%
CONTRACT LABOR	343,492	391,656	(12.3%)	273,211	25.7%	274,881	25.0%
SUPPLEMENTAL BENEFITS	1,253,972	1,478,341	(15.2%)	1,298,056	(3.4%)	1,278,089	(1.9%)
SUPPLIES	871,251	1,000,880	(13.0%)	1,050,535	(17.1%)	898,610	(3.0%)
DRUGS	550,176	463,074	18.8%	569,353	(3.4%)	705,554	(22.0%)
PURCHASED SERVICES	536,773	472,347	13.6%	551,994	(2.8%)	633,187	(15.2%)
REPAIRS, SERVICE & RENTALS	263,590	305,181	(13.6%)	281,363	(6.3%)	252,287	4.5%
UTILITIES	153,861	157,695	(2.4%)	133,220	15.5%	153,726	0.1%
INSURANCE	52,664	45,881	14.8%	63,051	(16.5%)	53,704	(1.9%)
PATIENT RELATED TRAVEL	26,484	33,810	(21.7%)	35,359	(25.1%)	34,681	(23.6%)
EDUCATION, TRAVEL, & DUES	94,402	92,277	2.3%	92,830	1.7%	97,371	(3.0%)
OTHER	41,907	41,519	0.9%	30,640	36.8%	70,754	(40.8%)
DEPRECIATION AND AMORT	698,979	760,281	(8.1%)	671,964	4.0%	632,360	10.5%
INTEREST	149,052	155,695	(4.3%)	142,440	4.6%	207,993	(28.3%)
TAXES & SURCHARGE	186,108	191,966	(3.1%)	186,936	(0.4%)	205,911	(9.6%)
TOTAL OPERATING EXPENSES	9,354,147	9,545,631	(2.0%)	9,397,690	(0.5%)	9,441,373	(0.9%)
LESS: WILLMAR MEDICAL SERVICES OPERATING EXPENSES	1,261,467	1,175,081	7.4%	768,995	64.0%	837,492	50.6%
NET OPERATING EXPENSES	8,092,680	8,370,550	(3.3%)	8,628,695	(6.2%)	8,603,881	(5.9%)
OPERATING INCOME (LOSS)	168,923	(1,232,876)	(113.7%)	(365,734)	(146.2%)	142,438	18.6%
NON OPERATING INCOME							
INVESTMENT INCOME	110,514	115,127	(4.0%)	62,584	76.6%	65,444	68.9%
UNREALIZED GAIN (LOSS)	273,162	161,928	68.7%	(121,023)	(325.7%)	105,206	159.6%
OTHER GAIN (LOSS)	240	9,876	(97.6%)	(8,227)	(102.9%)	6,425	(96.3%)
TOTAL NON OPERATING INCOME	383,916	286,931	33.8%	(66,666)	(675.9%)	177,075	116.8%
NET INCOME (LOSS)	\$552,839	(\$945,945)	(158.4%)	(\$432,400)	(227.9%)	\$319,513	73.0%

RICE HOSPITAL
For the Year To Date Period Ending

	January 2015	January 2014	% Var	January 2013	% Var	January 2012	% Var
OPERATING REVENUE							
INPATIENT REVENUE	\$6,941,736	\$5,330,834	30.2%	\$5,560,058	24.9%	\$5,695,275	21.9%
OUTPATIENT REVENUE	10,191,768	9,671,408	5.4%	10,130,287	0.6%	10,592,065	(3.8%)
TOTAL PATIENT REVENUE	17,133,504	15,002,242	14.2%	15,690,345	9.2%	16,287,340	5.2%
LESS DISCOUNTS & CONTRACTUALS	9,359,209	8,246,357	13.5%	8,132,543	15.1%	8,139,270	15.0%
LESS UNCOMPENSATED CARE	13,195	180,497	(92.7%)	142,662	(90.8%)	101,038	(86.9%)
LESS BAD DEBT EXPENSE	139,982	172,062	(18.6%)	129,020	8.5%	131,950	6.1%
TOTAL DEDUCTIONS FROM REVENUE	9,512,386	8,598,916	10.6%	8,404,225	13.2%	8,372,258	13.6%
NET REVENUE FROM PATIENTS	7,621,118	6,403,326	19.0%	7,286,120	4.6%	7,915,082	(3.7%)
OTHER OPERATING REVENUE	1,125,478	1,184,436	(5.0%)	1,280,754	(12.1%)	1,404,651	(19.9%)
TOTAL OPERATING REVENUE	8,746,596	7,587,762	15.3%	8,566,874	2.1%	9,319,733	(6.1%)
LESS: WILLMAR MEDICAL SERVICES OPERATING REVENUE	2,044,765	1,821,554	12.3%	1,761,713	16.1%	1,856,285	10.2%
TOTAL OPERATING REVENUE	6,701,831	5,766,208	16.2%	6,805,161	(1.5%)	7,463,448	(10.2%)
OPERATING EXPENSES							
SALARIES AND WAGES	3,618,038	3,441,822	5.1%	3,553,480	1.8%	3,482,852	3.9%
CONTRACT LABOR	235,724	301,302	(21.8%)	165,427	42.5%	257,366	(8.4%)
SUPPLEMENTAL BENEFITS	1,095,162	1,291,926	(15.2%)	1,127,136	(2.8%)	1,100,924	(0.5%)
SUPPLIES	536,540	636,052	(15.6%)	667,259	(19.6%)	608,084	(11.8%)
DRUGS	527,589	448,001	17.8%	556,109	(5.1%)	689,872	(23.5%)
PURCHASED SERVICES	499,752	438,421	14.0%	498,107	0.3%	591,795	(15.6%)
REPAIRS, SERVICE & RENTALS	237,559	277,168	(14.3%)	255,938	(7.2%)	234,981	1.1%
UTILITIES	128,777	128,660	0.1%	113,680	13.3%	132,504	(2.8%)
INSURANCE	45,187	37,830	19.4%	49,546	(8.8%)	45,381	(0.4%)
PATIENT RELATED TRAVEL	19,840	21,223	(6.5%)	21,981	(9.7%)	21,616	(8.2%)
EDUCATION, TRAVEL, & DUES	89,098	84,892	5.0%	83,370	6.9%	85,152	4.6%
OTHER	21,247	27,422	(22.5%)	24,865	(14.6%)	67,802	(68.7%)
DEPRECIATION AND AMORT	559,707	593,207	(5.6%)	598,436	(6.5%)	560,779	(0.2%)
INTEREST	122,644	127,994	(4.2%)	127,695	(4.0%)	192,788	(36.4%)
TAXES & SURCHARGE	147,389	152,143	(3.1%)	147,656	(0.2%)	167,880	(12.2%)
TOTAL OPERATING EXPENSES	7,884,253	8,008,063	(1.5%)	7,990,685	(1.3%)	8,239,776	(4.3%)
LESS: WILLMAR MEDICAL SERVICES OPERATING EXPENSES	1,261,467	1,175,081	7.4%	768,995	64.0%	837,492	50.6%
NET OPERATING EXPENSES	6,622,786	6,832,982	(3.1%)	7,221,690	(8.3%)	7,402,284	(10.5%)
OPERATING INCOME (LOSS)	79,045	(1,066,774)	(107.4%)	(416,529)	(119.0%)	61,164	29.2%
NON OPERATING INCOME							
INVESTMENT INCOME	109,164	115,427	(5.4%)	62,259	75.3%	65,139	67.6%
UNREALIZED GAIN (LOSS)	273,162	161,928	68.7%	(121,023)	(325.7%)	105,206	159.6%
OTHER GAIN (LOSS)	240	9,876	(97.6%)	(8,227)	(102.9%)		0.0%
TOTAL NON OPERATING INCOME	382,566	287,231	33.2%	(66,991)	(671.1%)	170,345	124.6%
NET INCOME (LOSS)	\$461,611	(\$779,543)	(159.2%)	(\$483,520)	(195.5%)	\$231,509	99.4%

RICE CARE CENTER
For the Year To Date Period Ending

	January 2015	January 2014	% Var	January 2013	% Var	January 2012	% Var
OPERATING REVENUE							
RICE CARE CENTER REVENUE	\$1,070,686	\$837,973	27.8%	\$846,087	26.5%	\$622,030	72.1%
TOTAL PATIENT REVENUE	1,070,686	837,973	27.8%	846,087	26.5%	622,030	72.1%
LESS DISCOUNTS & CONTRACTUALS	288,040	209,415	37.5%	230,643	24.9%	74,699	285.6%
LESS BAD DEBT EXPENSE	605	1,079	(43.9%)	(4,107)	(114.7%)	660	(8.3%)
TOTAL DEDUCTIONS FROM REVENUE	288,645	210,494	37.1%	226,536	27.4%	75,359	283.0%
NET REVENUE FROM PATIENTS	782,041	627,479	24.6%	619,551	26.2%	546,671	43.1%
OTHER OPERATING REVENUE	561	430	30.5%	586	(4.3%)	1,490	(62.3%)
TOTAL OPERATING REVENUE	782,602	627,909	24.6%	620,137	26.2%	548,161	42.8%
LESS: WILLMAR MEDICAL SERVICES							
TOTAL OPERATING REVENUE	782,602	627,909	24.6%	620,137	26.2%	548,161	42.8%
OPERATING EXPENSES							
SALARIES AND WAGES	265,231	243,763	8.8%	224,309	18.2%	245,184	8.2%
CONTRACT LABOR	107,767	90,354	19.3%	107,784	0.0%	17,516	515.2%
SUPPLEMENTAL BENEFITS	64,536	83,962	(23.1%)	86,644	(25.5%)	93,730	(31.1%)
SUPPLIES	43,475	39,320	10.6%	73,086	(40.5%)	36,090	20.5%
DRUGS	22,386	15,073	48.5%	13,244	69.0%	15,682	42.7%
PURCHASED SERVICES	11,144	17,718	(37.1%)	21,978	(49.3%)	14,401	(22.6%)
REPAIRS, SERVICE & RENTALS	6,334	3,611	75.4%	2,417	162.1%	2,078	204.8%
UTILITIES	13,954	16,577	(15.8%)	12,062	15.7%	11,315	23.3%
INSURANCE	3,401	4,195	(18.9%)	4,048	(16.0%)	2,869	18.5%
PATIENT RELATED TRAVEL	819	321	155.1%	374	119.0%	245	234.3%
EDUCATION, TRAVEL, & DUES	1,942	3,287	(40.9%)	2,741	(29.1%)	4,867	(60.1%)
OTHER	55	55	(100.0%)	613	(100.0%)	61	(100.0%)
DEPRECIATION AND AMORT	62,164	37,845	64.3%	27,874	123.0%	31,106	99.8%
INTEREST	26,408	27,679	(4.6%)	10,900	142.3%	11,090	138.1%
TAXES & SURCHARGE	35,000	35,883	(2.5%)	34,968	0.1%	34,333	1.9%
TOTAL OPERATING EXPENSES	664,561	619,643	7.2%	623,042	6.7%	520,567	27.7%
LESS: WILLMAR MEDICAL SERVICES							
NET OPERATING EXPENSES	664,561	619,643	7.2%	623,042	6.7%	520,567	27.7%
OPERATING INCOME (LOSS)	118,041	8,266	1,328.0%	(2,905)	(4,163.4%)	27,594	327.8%
NON OPERATING INCOME							
INVESTMENT INCOME	1,350	500	170.0%	325	315.4%	750	80.0%
TOTAL NON OPERATING INCOME	1,350	500	170.0%	325	315.4%	750	80.0%
NET INCOME (LOSS)	\$119,391	\$8,766	1,262.0%	(\$2,580)	(4,727.6%)	\$28,344	321.2%

Rice Home Medical
RICE HOME MEDICAL
For the 01 Months Ending January 31, 2015

	January 2015	% of Gross Sales	January 2014	% of Gross Sales	January 2013	% of Gross Sales	January 2012	% of Gross Sales
GROSS SALES								
SALES REVENUE	\$654,386	59.92%	\$625,784	59.18%	\$625,096	56.94%	\$640,236	67.88%
RENTS REVENUE	437,629	40.08%	428,558	40.53%	471,916	42.99%	302,958	32.12%
MISC REVENUE	0	0.00%	3,075	0.29%	712	0.06%	0	0.00%
GROSS SALES	1,092,015	100.00%	1,057,417	100.00%	1,097,723	100.00%	943,194	100.00%
LESS: CONTRACTUAL ALLOWANCES	(315,516)	(28.89%)	(326,330)	(30.86%)	(263,294)	(23.99%)	(210,428)	(22.31%)
LESS: UNCOMPENSATED CARE	(88)	(0.01%)	(7)	0.00%	0	0.00%	(2,395)	(0.25%)
LESS: BAD DEBT EXPENSE	(3,490)	(0.32%)	(4,292)	(0.41%)	(86)	(0.01%)	543	0.06%
NET SALES	772,920	70.78%	726,788	68.73%	834,343	76.01%	730,914	77.49%
COST OF GOODS SOLD								
OXYGEN	6,026	0.55%	5,646	0.53%	10,691	0.97%	11,390	1.21%
EQUIPMENT	52,261	4.79%	73,358	6.94%	70,733	6.44%	60,897	6.46%
SUPPLY - FREIGHT	13,401	1.23%	13,889	1.31%	14,235	1.30%	13,983	1.48%
SUPPLY	195,651	17.92%	195,119	18.45%	179,906	16.39%	142,430	15.10%
EQUIPMENT REPAIR	10,454	0.96%	21,549	2.04%	26,790	2.44%	10,336	1.10%
SHOP EXPENSE	953	0.09%	4,259	0.40%	1,563	0.14%	7,508	0.80%
EQUIPMENT RENTAL & LEASES	3,628	0.33%	0	0.00%	0	0.00%	0	0.00%
PURCHASE DISCOUNTS	(2,989)	(0.27%)	(16,769)	(1.59%)	(3,321)	(0.30%)	(3,796)	(0.40%)
TOTAL COST OF GOODS SOLD	279,385	25.58%	297,052	28.09%	300,598	27.38%	242,748	25.74%
GROSS PROFIT	493,535	45.19%	429,737	40.64%	533,746	48.62%	488,166	51.76%
OTHER OPERATING REVENUE	7,446	0.68%	0	0.00%	0	0.00%	0	0.00%
TOTAL OPERATING REVENUE	500,981	45.88%	429,737	40.64%	533,746	48.62%	488,166	51.76%
OPERATING EXPENSES								
SALARIES & WAGES	248,167	22.73%	269,443	25.48%	238,950	21.77%	214,228	22.71%
SUPPLEMENTAL BENEFITS	94,274	8.63%	102,454	9.69%	84,276	7.68%	83,435	8.85%
SUPPLIES AND DRUGS	9,063	0.83%	11,687	1.11%	6,272	0.57%	7,893	0.84%
PURCHASED SERVICES	25,877	2.37%	16,208	1.53%	31,910	2.91%	26,990	2.86%
REPAIRS, SERVICE & RENTALS	19,697	1.80%	24,401	2.31%	23,008	2.10%	15,228	1.61%
UTILITIES	11,130	1.02%	12,459	1.18%	7,479	0.68%	9,907	1.05%
INSURANCE	4,077	0.37%	3,856	0.36%	9,457	0.86%	5,454	0.58%
PATIENT RELATED TRAVEL	5,825	0.53%	12,266	1.16%	13,005	1.18%	12,821	1.36%
EDUCATION, TRAVEL, & DUES	3,362	0.31%	4,098	0.39%	6,720	0.61%	7,352	0.78%
OTHER EXPENSE	20,660	1.89%	14,042	1.33%	5,162	0.47%	2,890	0.31%
DEPRECIATION & AMORTIZATION	77,107	7.06%	129,228	12.22%	45,654	4.16%	40,475	4.29%
INTEREST EXPENSE	0	0.00%	22	0.00%	3,845	0.35%	4,115	0.44%
TAXES	3,718	0.34%	3,939	0.37%	4,313	0.39%	3,698	0.39%
TOTAL OPERATING EXPENSES	522,958	47.89%	604,103	57.13%	480,049	43.73%	434,487	46.07%
NET OPERATING INCOME (LOSS)	(21,977)	(2.01%)	(174,366)	(16.49%)	53,697	4.89%	53,679	5.69%
INVESTMENT INCOME (LOSS)	(6,184)	(0.57%)	0	0.00%	0	0.00%	0	0.00%
OTHER GAIN (LOSS)	0	0.00%	(800)	(0.08%)	0	0.00%	5,980	0.63%
NET INCOME (LOSS)	(\$28,160)	(2.58%)	(\$175,166)	(16.57%)	\$53,697	4.89%	\$59,659	6.33%

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**RICE MEMORIAL HOSPITAL
CONSOLIDATED CASH FLOW STATEMENT**

**FOR THE PERIOD ENDED:
January 31, 2015**

Line #	Current YTD	Prior YTD
1 Sources of Cash & Investments:		
2 Net Income	\$ 552,839	\$ (945,944)
3 Depreciation & Amortization	698,979	\$ 760,281
4 Debt Proceeds	-	-
5 Other		
6		
7 Total Sources	<u>1,251,818</u>	<u>(185,663)</u>
8		
9 Uses		
10 Property, Plant, and Equipment - Gross	241,745	1,094,516
11 Debt Payments/Re-funding	435,522	69,016
12 Working Capital Changes & Other - Net	(25,245)	428,689
13		
14 Total Uses	<u>652,022</u>	<u>1,592,221</u>
15		
16 Increase / (Decrease) Cash & Investments	599,796	(1,777,884)
17		
18 Beginning of Period (January 1)	<u>27,553,337</u>	<u>31,952,720</u>
19		
20 End of Period	<u>\$ 28,153,133</u>	<u>\$ 30,174,836</u>

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**RICE MEMORIAL HOSPITAL
STATISTICAL AND VOLUME SUMMARY
FOR THE PERIOD ENDED:
January 31, 2015**

Line #	Patient Days	CURRENT MONTH				Act/2014	Prior	Act/Prior	
		Actual	Forecast	Var.	Var. %	2014	Var. %	3 mo avg	Var. %
1	Adult Health Care	695	569	126	22.1%	571	21.7%	580	19.8%
2	Women and Children's Care	236	197	39	19.8%	200	18.0%	174	35.6%
3	ICCU	99	60	39	65.0%	58	70.7%	57	73.7%
4	Mental Health	239	230	9	3.9%	231	3.5%	216	10.6%
5	Total Adult & Peds	1,269	1,056	213	20.2%	1,060	19.7%	1,027	23.6%
6									
7	Average Daily Census	40.9	34.1	6.9	20.2%	34.2	19.7%	33.5	22.2%
8									
9	Average Length of Stay	3.99	3.76	0.23	6.2%	3.96	0.9%	3.65	9.3%
10	Average Length of Stay-CMI	4.07	3.73	0.34	9.2%	3.85	5.7%	3.47	17.3%
11									
12	Admissions-Inpatient	325	281	44	15.7%	272	19.5%	283	14.8%
13	Observation patients	177	130	47	36.3%	118	50.7%	142	24.8%
14									
15	Medicare Case Mix Index	1.247	1.284	(0.036)	-2.8%	1.408	-11.4%	1.330	-6.2%
16	Case Mix Index-Total	0.980	1.008	(0.028)	-2.8%	1.026	-4.5%	1.050	-6.7%
17									
18	Adjusted Admissions	802	815	(13)	-1.6%	765	4.8%	853	-6.0%
19	Adjusted Patient Days	3,132	3,062	70	2.3%	2,983	5.0%	3,092	1.3%
20									
21	Births	77	67	10	14.9%	66	16.7%	64	20.3%
22									
23	Rice Care Center-Days	2,290	2,325	(35)	-1.5%	1,836	24.7%	2,241	2.2%
24	Rice Care Center-Average Daily Census	73.9	75.0	(1.1)	-1.5%	59.2	24.7%	73.1	1.1%
25	Rice Care Center Case Mix Index	1.16	1.050	0.11	10.5%	1.020	13.7%	1.05	10.1%
26									
27									
28									
		YEAR-TO-DATE				Act/2014		Act/2013	
		Actual	Forecast	Var.	Var. %	2014	Var. %	2013	Var. %
29	Patient Days								
30	Adult Health Care	695	569	2	0.4%	571	21.7%	569	22.1%
31	Women and Children's Care	236	197	3	1.5%	200	18.0%	234	0.9%
32	ICCU	99	60	(2)	-3.3%	58	70.7%	91	8.8%
33	Mental Health	239	230	1	0.4%	231	3.5%	215	11.2%
34	Total Adult & Peds	1,269	1,056	4	0.4%	1,060	19.7%	1,109	14.4%
35									
36	Average Daily Census	40.9	34.1	0.1	0.4%	34.2	19.7%	35.8	14.4%
37									
38	Average Length of Stay	3.99	3.76	0.20	5.2%	3.96	0.9%	3.59	11.2%
39	Average Length of Stay-CMI	4.07	3.73	0.13	3.4%	3.85	5.7%	3.56	14.3%
40									
41	Admissions-Inpatient	325	281	(9)	-3.2%	272	19.5%	306	6.2%
42	Observation patients	177	130	(12)	-9.5%	118	50.7%	184	-3.9%
43									
44	Medicare Case Mix Index	1.247	1.284	0.125	9.7%	1.408	-11.4%	1.267	-1.6%
45	Case Mix Index-Total	0.980	1.008	0.018	1.8%	1.026	-4.5%	1.008	-2.7%
46									
47	Adjusted Admissions	802	815	(49)	-6.1%	765	4.8%	864	-7.1%
48	Adjusted Patient Days	3,132	3,062	(79)	-2.6%	2,983	5.0%	3,130	0.1%
49									
50	Births	77	67	(1)	-1.5%	66	16.7%	80	-3.8%
51									
52	Rice Care Center-Days	2,290	2,325	(489)	-21.0%	1,836	24.7%	2,117	8.2%
53	Rice Care Center-Average Daily Census	73.9	75.0	(15.8)	-21.0%	59.2	24.7%	68.3	8.2%
54	Rice Care Center Case Mix Index	1.053	1.050	(0.03)	-2.9%	1.020	3.2%	1.035	1.7%

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**RICE MEMORIAL HOSPITAL
STATISTICAL AND VOLUME SUMMARY
FOR THE PERIOD ENDED:
January 31, 2015**

	CURRENT MONTH				2014	Act/2014	Prior	Act/Prior
	Actual	Forecast	Var.	Var. %		Var. %	3 mo avg	Var. %
Ancillary Services								
1 IP Surgeries	84	74	10	13.5%	73	15.1%	86	-2.3%
2 OP Surgeries	138	165	(27)	-16.4%	174	-20.7%	186	-25.8%
3 Total Surgeries	222	239	(17)	-7.1%	247	-10.1%	272	-18.4%
4								
5 ER Visits-Inpatient	206	174	32	18.4%	158	30.4%	176	17.0%
6 ER Visits-Outpatient	897	943	(46)	-4.9%	813	10.3%	969	-7.4%
7 ER Visits-Total	1,103	1,117	(14)	-1.3%	971	13.6%	1,145	-3.7%
8								
9 Lab Tests	23,718	22,554	1,164	5.2%	22,468	5.6%	24,005	-1.2%
10 Medical Imaging Procedures	1,468	1,447	21	1.5%	1,346	9.1%	1,424	3.1%
11 Radiation Oncology Treatments	181	255	(74)	-29.0%	199	-9.0%	214	-15.4%
12 Medical Oncology Visits	231	236	(5)	-2.1%	233	-0.9%	264	-12.5%
13								
14 Dialysis Treatments	1,027	982	45	4.6%	969	6.0%	1,004	2.3%
15 Rehab Visits	3,838	3,834	4	0.1%	3,429	11.9%	3,980	-3.6%
16 Hospice Visits	1,629	1,902	(273)	-14.4%	1,729	-5.8%	1,795	-9.2%
17 Ambulance Runs	258	242	16	6.6%	258	0.0%	244	5.7%
18								
19								
Full Time Equivalents (FTE's)								
21 FTE's - Hospital	612	607	5	0.8%	630	-2.9%	605	1.2%
22 FTE's - Care Center	94	86	9	10.2%	79	18.7%	90	4.7%
23 FTE's - Home Medical	75	75	0	0.0%	83	-9.1%	74	1.4%
24 Total FTE's	781	767	14	1.8%	792	-1.3%	769	1.6%

	YEAR-TO-DATE				2014	Act/2014	2013	Act/2013
	Actual	Forecast	Var.	Var. %		Var. %		Var. %
Ancillary Services								
30 IP Surgeries	84	74	10	13.5%	73	15.1%	101	-16.8%
31 OP Surgeries	138	165	(27)	-16.4%	174	-20.7%	189	-27.0%
32 Total Surgeries	222	239	(17)	-7.1%	247	-10.1%	290	-23.4%
33								
34 ER Visits-Inpatient	206	174	32	18.4%	158	30.4%	172	19.8%
35 ER Visits-Outpatient	897	943	(46)	-4.9%	813	10.3%	898	-0.1%
36 ER Visits-Total	1,103	1,117	(14)	-1.3%	971	13.6%	1,070	3.1%
37								
38 Lab Tests	23,718	22,554	1,164	5.2%	22,468	5.6%	22,667	4.6%
39 Medical Imaging Procedures	1,468	1,447	21	1.5%	1,346	9.1%	1,335	10.0%
40 Radiation Oncology Treatments	181	255	(74)	-29.0%	199	-9.0%	435	-58.4%
41 Medical Oncology Visits	231	236	(5)	-2.1%	233	-0.9%	232	-0.4%
42								
43 Dialysis Treatments	1,027	982	45	4.6%	969	6.0%	765	34.2%
44 Rehab Visits	3,838	3,834	4	0.1%	3,429	11.9%	3,680	4.3%
45 Hospice Visits	1,629	1,902	(273)	-14.4%	1,729	-5.8%	2,190	-25.6%
46 Ambulance Runs	258	242	16	6.6%	258	0.0%	238	8.4%
47								
48								
Full Time Equivalents (FTE's)								
50 FTE's - Hospital	612	607	5	0.8%	630	-2.9%	637	-3.9%
51 FTE's - Care Center	94	86	9	10.2%	79	18.7%	85	10.7%
52 FTE's - Home Medical	75	75	0	0.0%	83	-9.1%	79	-4.7%
53 Total FTE's	781	767	14	1.8%	792	-1.3%	801	-2.5%

24

**RICE MEMORIAL HOSPITAL
KEY PERFORMANCE INDICATORS**

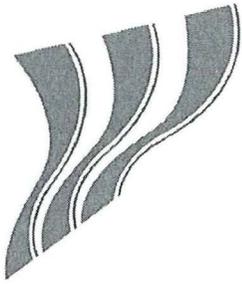
FOR THE PERIOD ENDED:

Line #	01/31/15 Actual	2015 YTD Actual	2015 Forecast	2014 Actual	2013 Actual	2012 Actual	2011 Actual	Industry Benchmarks
1	OPERATIONAL							
2	Operating Margin							
3	1.2%	1.2%	1.3%	-3.6%	-1.5%	1.3%	5.0%	
4	15.1%	15.1%	8.7%	6.5%	1.0%	8.7%	-0.1%	
5	-2.8%	-2.8%	1.9%	-9.0%	-22.5%	-3.0%	1.4%	
6								
7	2.0%	2.0%	1.8%	-3.3%	-3.2%	1.4%	4.4%	2.2%
8								
9	6.4%	6.4%	2.6%	-1.8%	-3.6%	2.4%	5.8%	2.8%
10								
11	12.3%	12.3%	12.6%	7.1%	7.0%	11.6%	14.6%	10.8%
12								
13	FINANCIAL							
14		45.3%	44.5%	45.8%	46.3%	43.3%	46.3%	38.7%
15		4.5	3.0	2.4	1.8	3.0	3.5	2.9
16		51	48	53	52	64	55	46
17		117	119	116	128	114	116	131
18		59%	62%	57%	64%	63.0%	58.6%	87%
19		7.6	8.0	7.7	8.9	7.1	6.3	9.1
20		11.6	11.0	10.6	9.3	9.1	9.2	10.2
21		1.73	1.00	(0.33)	(0.52)	0.75	1.65	0.30
22	PRODUCTIVITY							
23	Rice Hospital							
24								
25	\$ 8,794	\$ 8,794		\$ 8,197	\$ 8,255	\$ 8,287	\$ 7,610	
26								
27	90.1%	90.1%	90.0%	93.5%	90.0%	89.1%	85.0%	
28								
29	56.6%	56.6%	50.0%	55.5%	52.6%	50.5%	48.1%	50%
30								
31	14.9	14.9	14.4	14.6	14.9	14.6	13.4	14.9
32	3.8	3.8	4.1	3.9	4.2	4.1	3.8	4.4
33								
34	\$ 698	\$ 698		\$ 771	\$ 770	\$ 755	\$ 739	
35	\$ 686	\$ 686		\$ 584	\$ 684	\$ 762	\$ 614	
36	\$ 1,383	\$ 1,383		\$ 1,355	\$ 1,454	\$ 1,517	\$ 1,353	
37								
38		1.8%	2.0%	2.6%	2.0%	2.2%	2.1%	7.4%
39								
40		8.7%	9.0%	9.3%	9.1%	9.0%	9.6%	6.9%
41								
42	Rice Care Center							
43	6.6	6.6	6.5	6.7	6.6	6.7	6.5	5.8
44								
45	84.9%	84.9%	91.3%	93.5%	99.0%	91.3%	100.1%	
46								
47	Rice Home Medical							
48	\$ 174,700	\$ 174,700	\$ 191,600	\$ 171,700	\$ 161,600	\$ 144,500	\$ 158,000	
49								
50	104.4%	104.4%	96.8%	115.5%	142.0%	104.9%	97.7%	
51								
52		4.0		4.9	4.7	5.8	6.0	
53		90.2		74	78	63	61	
54								

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KEY PERFORMANCE INDICATORS by ENTITY

	2011	2012	1st Qtr 2013	2nd Qtr 2013	3rd Qtr 2013	4th Qtr 2013	1st Qtr 2014	2nd Qtr 2014	3rd Qtr 2014	4th Qtr 2014	1st Qtr 2015
Consolidated:											
Operating Margin %	4.4%	1.5%	-5.5%	-0.9%	-0.4%	-6.2%	-11.8%	-3.9%	-1.2%	2.6%	2.0%
Excess Margin %	5.8%	2.4%	-4.4%	-2.8%	-0.7%	-6.8%	-10.4%	-2.0%	-0.4%	4.4%	6.4%
EBIDA Operating Margin %	14.1%	10.9%	4.8%	9.1%	9.6%	3.9%	0.0%	6.7%	9.6%	11.3%	12.3%
Hospital											
Operating Margin %	5.0%	1.3%	-7.4%	5.3%	0.2%	-5.0%	-10.7%	-3.9%	-1.7%	1.3%	1.2%
EBIDA Operating Margin %	15.0%	11.5%	3.9%	15.6%	10.8%	5.6%	1.7%	8.0%	9.9%	11.7%	11.4%
Revenue/Adj. Admission Reimbursement Rate	\$ 10,120 48.7%	\$ 10,214 48.5%	\$ 9,856 46.4%	\$ 10,417 48.9%	\$ 9,840 46.1%	\$ 10,283 44.8%	\$ 9,839 43.6%	\$ 9,840 44.0%	\$ 9,631 43.2%	\$ 10,179 46.3%	\$ 10,904 44.5%
FTE/Adj. Admission	13.4	14.6	15.2	14.6	14.2	15.6	16.0	14.6	14.1	13.9	14.9
FTE/Adj. Patient Day	3.8	4.1	4.3	4.0	4.2	4.3	4.1	3.9	3.7	3.8	3.8
Total Expense Ratio	85.0%	89.1%	94.6%	85.1%	87.8%	93.1%	99.6%	91.3%	92.7%	90.9%	90.1%
Controllable Exp./AA	\$ 7,610	\$ 8,107	\$ 8,277	\$ 7,838	\$ 7,686	\$ 8,552	\$ 8,685	\$ 7,947	\$ 7,894	\$ 8,292	\$ 8,794
Compensation Ratio	48.1%	51.4%	56.4%	49.8%	52.3%	55.7%	61.7%	54.8%	54.4%	51.8%	56.6%
Supply & Drug Expense/CMI AA	\$ 1,357	\$ 1,525	\$ 1,402	\$ 1,400	\$ 1,446	\$ 1,606	\$ 1,278	\$ 1,158	\$ 1,403	\$ 1,558	\$ 1,383
Care Center											
Operating Margin %	-0.1%	8.7%	4.9%	-2.9%	1.0%	0.9%	-0.9%	6.1%	8.7%	10.4%	15.1%
EBIDA Operating Margin %	6.8%	15.4%	11.2%	3.9%	7.8%	10.1%	10.4%	16.3%	19.7%	21.5%	26.4%
Case Mix	1.06	1.02	1.02	1.04	1.01	1.01	1.03	1.05	1.09	1.05	1.16
Total Revenue/Day	\$ 212.1	\$ 273.6	\$ 302.9	\$ 291.8	\$ 296.1	\$ 313.2	\$ 328.0	\$ 345.4	\$ 321.7	\$ 337.8	\$ 341.7
Controllable Exp./Day	\$ 186.5	\$ 216.2	\$ 251.4	\$ 262.9	\$ 254.3	\$ 262.4	\$ 273.6	\$ 269.8	\$ 242.0	\$ 249.2	\$ 236.2
Total Expense %	100.1%	91.3%	95.1%	102.9%	99.0%	99.1%	100.9%	93.9%	91.3%	89.6%	84.9%
Operating Margin/Day	\$ (0.3)	\$ 23.7	\$ 14.4	\$ (8.7)	\$ 3.1	\$ 3.2	\$ (2.7)	\$ 21.0	\$ 28.0	\$ 35.1	\$ 51.5
Hours/Resident Day	6.1	6.2	6.4	6.5	6.8	6.7	7.0	7.1	6.6	6.4	6.6
Home Medical											
Operating Margin %	1.4%	-3.0%	2.7%	-118.8%	-6.2%	-20.7%	-31.3%	-12.2%	-4.7%	6.2%	-2.8%
EBIDA Operating Margin %	7.7%	3.4%	9.2%	-103.1%	3.4%	-11.4%	-14.9%	-2.5%	7.5%	7.7%	7.1%
Net Sales % / Gross Sales	76.3%	76.9%	77.9%	37.0%	73.4%	64.4%	66.5%	69.4%	69.8%	70.2%	69.2%
Gross Profit %	60.6%	61.5%	64.2%	23.9%	58.9%	52.5%	58.0%	56.0%	58.6%	59.9%	58.5%
Total Expense %	97.7%	104.9%	95.7%	598.5%	110.6%	139.5%	154.0%	121.7%	108.2%	89.5%	104.4%
Sales/FTE	\$ 158,081	\$ 144,516	\$ 155,564	\$ 147,234	\$ 167,657	\$ 175,516	\$ 138,895	\$ 168,199	\$ 181,452	\$ 202,410	\$ 174,653



CITY OF WILLMAR, MINNESOTA
REQUEST FOR COMMITTEE ACTION

Agenda Item Number: 4

Meeting Date: March 9, 2015

Attachments: Yes No

CITY COUNCIL ACTION

Date: March 16, 2015

- Approved Denied
- Amended Tabled
- Other

Originating Department: Finance

Agenda Item: Willmar Municipal Utilities 12/31/2014 Financial Report.

Recommended Action: To receive the written and oral financial report as of 12/31/14 for Willmar Municipal Utilities for review and comment. Introduce a motion to accept the report and direct staff to place on file for future reference.

Background/Summary: Willmar Municipal Utilities staff provides a quarterly report of the Utilities' financial status to the Finance Committee for comment.

Alternatives: Hold the report for further review.

Financial Considerations: Not Applicable.

Preparer: Steve Okins, Finance Director

Signature:

Comments:

Electric*Preliminary-Subject to Audit Adjustment*

2013 Actual 12 months	Summary	2014 Actual December	2014 Budget December	December Variance	2014 Actual YTD	2014 Budget YTD	YTD Variance
	Operating revenues						
\$7,557,949	Residential	544,362	609,960	(65,598)	7,477,972	7,624,500	(146,528)
19,003,150	Commercial/industrial	1,291,523	1,446,383	(154,860)	18,798,010	19,299,100	(501,090)
	(1) Energy acquisition/fuel adj	-	-	-	-	-	-
0	Transmission	123,811	-	123,811	1,606,163	-	1,606,163
256,175	Miscellaneous	23,700	15,181	8,519	263,037	224,500	38,537
<u>26,817,273</u>	Total operating revenues	<u>1,983,396</u>	<u>2,071,524</u>	<u>(88,128)</u>	<u>28,145,182</u>	<u>27,148,100</u>	<u>997,082</u>
	Operating expenses						
2,637,776	Production operation	641,608	63,985	577,623	3,548,011	2,770,700	777,311
1,342,959	Production maintenance	88,571	99,760	(11,189)	367,659	863,219	(495,560)
13,938,132	Purchased power	1,001,417	1,228,712	(227,295)	12,788,360	14,575,911	(1,787,551)
179,828	Transmission operation	140,447	13,726	126,721	2,229,269	182,753	2,046,516
47,274	Transmission maintenance	1,171	62,558	(61,387)	179,932	181,937	(2,005)
611,005	Distribution operation	64,754	63,815	939	581,273	612,419	(31,146)
405,651	Distribution maintenance	34,028	17,218	16,810	508,057	374,400	133,657
455,636	Customer service/energy services	50,216	64,478	(14,262)	538,766	519,485	19,281
3,144,357	General & administrative	309,347	173,330	136,017	3,146,092	2,882,689	263,403
1,776,022	Depreciation	147,522	158,365	(10,843)	1,745,611	1,894,992	(149,381)
<u>24,538,640</u>	Total operating expenses	<u>2,479,082</u>	<u>1,945,947</u>	<u>533,135</u>	<u>25,633,031</u>	<u>24,858,505</u>	<u>774,526</u>
2,278,633	Operating income	(495,685)	125,577	(621,262)	2,512,151	2,289,595	222,556
(278,085)	Other income	16,938	28,392	(11,454)	298,090	282,164	15,926
(336,440)	Other expense	(27,354)	(27,348)	(6)	(328,542)	(326,606)	(1,936)
1,664,108	Net earnings	(506,101)	126,621	(632,722)	2,481,699	2,245,153	236,546
1,796,015	Intragovernmental transfer	155,655	190,522	(34,867)	1,867,856	1,867,856	0
<u>(\$131,907)</u>	Retained earnings	<u>(661,756)</u>	<u>(63,901)</u>	<u>(597,855)</u>	<u>613,843</u>	<u>377,297</u>	<u>236,546</u>
0%		-33%	-3%	678%	2%	1%	24%

Water*Preliminary-Subject to Audit Adjustment*

2013 Actual 12 months	Summary	2014 Actual December	2014 Budget December	December Variance	2014 Actual YTD	2014 Budget YTD	YTD Variance
	Operating revenues						
1,081,556	Residential	72,534	78,690	(6,156)	1,033,732	1,108,300	(74,568)
928,218	Commercial/industrial	62,690	64,729	(2,039)	954,974	924,700	30,274
85,971	Miscellaneous	600	4,469	(3,869)	99,958	84,800	15,158
<u>2,095,745</u>	Total operating revenues	<u>135,824</u>	<u>147,888</u>	<u>(12,064)</u>	<u>2,088,664</u>	<u>2,117,800</u>	<u>(29,136)</u>
	Operating expenses						
239,969	Production operation	22,264	28,452	(6,188)	236,349	260,900	(24,551)
64,629	Production maintenance	15,986	17,139	(1,153)	77,562	106,800	(29,238)
128,288	Purchased power	14,401	13,377	1,024	155,313	147,000	8,313
-	Transmission operation	-	-	-	-	-	-
-	Transmission maintenance	-	-	-	-	-	-
179,291	Distribution operation	13,965	11,677	2,288	173,649	163,500	10,149
110,062	Distribution maintenance	8,473	6,960	1,513	139,014	106,600	32,414
177,730	Customer service/energy services	20,763	18,757	2,006	160,617	203,880	(43,263)
582,290	General & administrative	61,582	86,223	(24,641)	527,035	535,541	(8,506)
313,092	Depreciation	19,832	25,557	(5,725)	264,324	338,387	(74,063)
<u>1,795,351</u>	Total operating expenses	<u>177,266</u>	<u>208,142</u>	<u>(30,876)</u>	<u>1,733,862</u>	<u>1,862,608</u>	<u>(128,746)</u>
300,394	Operating income	(41,442)	(60,254)	18,812	354,801	255,192	99,609
(37,250)	Other income	1,965	3,063	(1,098)	22,787	28,800	(6,013)
(17,819)	Other expense	(1,246)	(1,128)	(118)	(14,946)	(13,590)	(1,356)
<u>245,325</u>	Net earnings	<u>(40,723)</u>	<u>(58,319)</u>	<u>17,596</u>	<u>362,642</u>	<u>270,402</u>	<u>92,240</u>
139,690	Intragovernmental transfer	12,106	14,819	(2,713)	145,278	145,278	(0)
<u>105,635</u>	Retained earnings	<u>(52,829)</u>	<u>(73,138)</u>	<u>20,309</u>	<u>217,364</u>	<u>125,124</u>	<u>92,240</u>
5%		-39%	-49%		10%	6%	

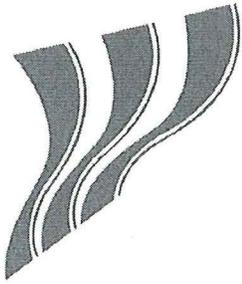
Heating*Preliminary-Subject to Audit Adjustment*

2013 Actual 12 months	Summary	2014 Actual December	2014 Budget December	December Variance	2014 Actual YTD	2014 Budget YTD	YTD Variance
	Operating revenues						
122,831	Residential	16,385	16,576	(191)	125,456	112,000	13,456
834,577	Commercial/Industrial	101,517	103,200	(1,683)	852,325	800,000	52,325
(36,622)	EAA/Fuel Adjustment	-	-	-	-	-	-
4,487	Miscellaneous	-	320	(320)	4,147	4,200	(53)
<u>925,273</u>	Total operating revenues	<u>117,902</u>	<u>120,096</u>	<u>(2,194)</u>	<u>981,928</u>	<u>916,200</u>	<u>65,728</u>
	Operating expenses						
82	Production operation	-	-	-	-	100	(100)
10,450	Production maintenance	671	5,016	(4,345)	967	16,700	(15,733)
381,709	Purchased power	47,365	61,425	(14,060)	488,344	465,500	22,844
-	Transmission operation	-	-	-	-	-	-
-	Transmission maintenance	-	-	-	-	-	-
25,662	Distribution operation	5,281	2,211	3,070	25,022	24,500	522
73,438	Distribution maintenance	5,189	7,455	(2,266)	55,851	68,700	(12,849)
8,887	Customer service/energy services	1,038	938	100	8,031	10,194	(2,163)
155,277	General & administrative	16,422	22,993	(6,571)	140,543	142,811	(2,268)
195,033	Depreciation	15,077	15,864	(787)	186,334	200,289	(13,955)
<u>850,538</u>	Total operating expenses	<u>91,043</u>	<u>115,902</u>	<u>(24,859)</u>	<u>905,092</u>	<u>928,794</u>	<u>(23,702)</u>
74,735	Operating income	26,858	4,194	22,664	76,836	(12,594)	89,430
(26,075)	Other income	1,376	2,250	(874)	15,951	21,420	(5,469)
-	Other expense	-	-	-	-	-	-
<u>48,660</u>	Net earnings	<u>28,234</u>	<u>6,444</u>	<u>21,790</u>	<u>92,787</u>	<u>8,826</u>	<u>83,961</u>
59,867	Intragovernmental transfer	5,188	6,351	(1,163)	62,262	62,262	(0)
<u>(11,207)</u>	Retained earnings	<u>23,046</u>	<u>93</u>	<u>22,953</u>	<u>30,525</u>	<u>(53,436)</u>	<u>83,961</u>
-1%		20%	0%		3%	-6%	

Combined Company

Preliminary-Subject to Audit Adjustment

2013 Actual 12 months	Summary	2014 Actual December	2014 Budget December	December Variance	2014 Actual YTD	2014 Budget YTD	YTD Variance
	Operating revenues						
8,762,336	Residential	633,281	705,226	(71,945)	8,637,159	8,844,800	(207,641)
20,765,945	Commercial/industrial	1,455,730	1,614,312	(158,582)	20,605,308	21,023,800	(418,492)
(36,623)	Energy acquisition/fuel adj	0	0	-	0	0	-
0	Transmission	123,811	0	123,811	1,606,163	0	1,606,163
346,633	Miscellaneous	24,300	19,970	4,330	367,143	313,500	53,643
<u>29,838,291</u>	Total operating revenues	<u>2,237,122</u>	<u>2,339,508</u>	<u>(102,386)</u>	<u>31,215,773</u>	<u>30,182,100</u>	<u>1,033,673</u>
	Operating expenses						
2,877,827	Production operation	663,873	92,437	571,436	3,784,360	3,031,700	752,660
1,418,038	Production maintenance	105,228	121,915	(16,687)	446,188	986,719	(540,531)
14,448,129	Purchased power	1,063,184	1,303,514	(240,330)	13,432,017	15,188,411	(1,756,395)
179,828	Transmission operation	140,447	13,726	126,721	2,229,269	182,753	2,046,516
47,274	Transmission maintenance	1,171	62,558	(61,387)	179,932	181,937	(2,005)
815,958	Distribution operation	84,000	77,703	6,297	779,945	800,419	(20,474)
589,151	Distribution maintenance	47,691	31,633	16,058	702,922	549,700	153,222
642,253	Customer service/energy services	72,017	84,173	(12,156)	707,413	733,559	(26,146)
3,881,924	General & administrative	387,350	282,546	104,804	3,813,669	3,561,041	252,628
2,284,147	Depreciation	182,431	199,786	(17,355)	2,196,269	2,433,668	(237,399)
<u>27,184,529</u>	Total operating expenses	<u>2,747,391</u>	<u>2,269,991</u>	<u>477,400</u>	<u>28,271,985</u>	<u>27,649,907</u>	<u>622,078</u>
2,653,762	Operating income	(510,269)	69,517	(579,786)	2,943,788	2,532,193	411,595
(341,410)	Other income	20,279	33,705	(13,426)	336,828	332,384	4,444
(354,259)	Other expense	(28,599)	(28,476)	(123)	(343,488)	(340,196)	(3,292)
<u>1,958,093</u>	Net earnings	<u>(518,590)</u>	<u>74,746</u>	<u>(593,336)</u>	<u>2,937,128</u>	<u>2,524,381</u>	<u>412,747</u>
1,995,572	Intragovernmental transfer	172,950	211,692	(38,742)	2,075,396	2,075,396	0
<u>(\$37,479)</u>	Retained earnings	<u>(691,539)</u>	<u>(136,946)</u>	<u>(554,593)</u>	<u>861,732</u>	<u>448,985</u>	<u>412,747</u>
0%		-31%	-6%	542%	3%	1%	40%



**CITY OF WILLMAR, MINNESOTA
REQUEST FOR COMMITTEE
ACTION**

Agenda Item Number: 5

Meeting Date: March 9, 2015

Attachments: Yes No

CITY COUNCIL ACTION

Date: March 16, 2015

- Approved Denied
- Amended Tabled
- Other

Originating Department: City Clerk-Treasurer

Agenda Item: Consideration of Fire Contract for Willmar Township

Recommended Action:

Approve the Contract with Willmar Township and Introduce a Resolution Authorizing the Mayor and City Administrator to Execute the Contract.

Background/Summary:

Willmar Township is under an annual contract for Willmar Fire Department service. A statewide formula has been used for decades to calculate the Township cost sharing proposal and is enclosed with current numbers.

Willmar Township

2015	\$20,245.64
2014	\$47,706.46
2013	\$33,704.96
2012	\$20,540.54
2011	\$19,301.12
2010	\$24,889.30

Alternatives: Discontinue Fire Suppression Services for Township Area

Financial Considerations: \$20,245.64 for the Townships Fiscal Year

Preparer: City Clerk-Treasurer

Signature:

Comments: Approve the Contract for 2015 Fire Services

AGREEMENT FOR FIRE DEPARTMENT SERVICE

THIS AGREEMENT, made this ____ day of _____, 2015, by and between the City of Willmar, a municipal corporation of Kandiyohi County, Minnesota, hereinafter referred to as "City", and the Township of Willmar, a political subdivision of the State of Minnesota, hereinafter referred to as "Township".

WHEREAS, the Township deems it advisable to have available for the benefit of the residents of said Township services of the City's Fire Department, and the electors of said Township having, pursuant to law, provided a fund for the furnishing of said services, and

WHEREAS, the City has authorized its Mayor and City Administrator to enter into a contract with the Township for the furnishing of said services;

NOW, THEREFORE, IT IS AGREED between the parties hereto, that for the period commencing April 1, 2015, and terminating March 31, 2016, the Fire Department of the City will answer fire calls within the Township of Willmar which the City is requested to answer by the township, and will respond to such calls with such fire fighting apparatus of the City Fire Department as may be authorized by the Insurance Services Office, and all equipment and resources deemed necessary by the incident commander, and will render all assistance possible in the saving of life and property, subject to City retaining in its corporate limits sufficient firefighters and equipment to maintain its fire class rating, and subject to the terms of this Agreement.

As payment for such services, the Township agrees to pay, pursuant to the formula attached hereto and made a part hereof, the amount of TWENTY THOUSAND, TWO HUNDRED FORTY-FIVE DOLLARS AND SIXTY-FOUR CENTS (\$20,245.64) payable TEN THOUSAND, ONE HUNDRED TWENTY-TWO DOLLARS AND EIGHTY-TWO CENTS, (\$10,122.82) on April 1, 2015, and TEN THOUSAND, ONE HUNDRED TWENTY-TWO DOLLARS AND EIGHTY-TWO CENTS, (\$10,122.82) on October 1, 2015.

IT IS FURTHER UNDERSTOOD AND AGREED that at times weather and road conditions through the seasons of the year demand for City's firefighters and equipment to be used at a fire within the City, or other special circumstances, may interfere in the rendering of the service contemplated herein, and in the event, failure to furnish the service herein agreed upon shall not be a breach of this Agreement. In an event whereby equipment and firefighters can not leave the City, Willmar Fire Command will activate mutual aid to render service to the township. Failure of the City to provide the services herein contracted for shall not result in the City being liable to Township or its residents for actual or consequential damages or for any other damages.

IT IS FURTHER UNDERSTOOD AND AGREED that the City will submit a billing statement to the Township within five (5) working days subsequent to a fire call listing the number of firefighters involved, firefighter hours, vehicles in use, and other data pertinent to assisting the township in making a "bill for services rendered" to the property owner receiving fire assistance. It shall be further understood that the sum total of the billings will not necessarily equal the annual contract price between the City and Township due to various formula charges such as building and/or vehicle

depreciation costs and administration and training costs which will not be a part of the individual billing statements.

IT IS FURTHER UNDERSTOOD AND AGREED that in the event of a hazardous materials incident the City reserves the right to exclude the call from the annual Funding Formula and bill the cost of the services rendered for special hazardous materials equipment and related costs directly to the owner of the property.

Township does hereby guarantee to the City that it is an equal opportunity employer and that it meets all United States Government and State of Minnesota Equal Opportunity Employment Requirements or that they are exempt from these provisions.

This Agreement may be terminated upon thirty (30) calendar day's written notice by either party or the other party, and the cost of services prorated to the time of termination.

IN WITNESS WHEREOF, the parties have caused this instrument to be executed by the respective officers thereof, and the respective seals of the parties have been affixed thereto.

CITY OF WILLMAR, A MUNICIPAL CORPORATION

BY: _____
MARV CALVIN, MAYOR

(S E A L)

BY: _____
CHARLENE STEVENS, CITY ADMINISTRATOR

(S E A L)

In the Presence of:

TOWNSHIP OF WILLMAR

BY: _____
DONAVON C. MONSON, CHAIRMAN

(S E A L)

BY: _____
DUWAYNE A. UNDERTHUN, SUPERVISOR

(S E A L)

Dovre Township					
Date	Location	Description	Firefighters Responding	Call Hours	Hours Paid
7/29/14	411 60 th Ave. NE	Vehicle Accident, general cleanup	18	1	18
7/30/14	411 60 th Ave. NE	Special Type (wash down rd.)	8	1	8
8/11/14	Hwy 71 NE & 48 th Ave. NE	Vehicle Accident, general cleanup	13	1	13
					Total 39

Willmar Township					
Date	Location	Description	Firefighters Responding	Call Hours	Hours Paid
1/15/14	4773 Hwy 71 S.	Fire Alarm	18	1	18
1/18/14	Hwy 23 & 45 th Ave. SW	Personal Injury Crash	23	1	23
9/13/14	4773 Hwy 71 S	Fire Alarm	13	1	13
10/10/14	Hwy 23 SW & Co. Rd. 5 SW	Vehicle Accident, general cleanup	16	1	16
11/5/14	Co. Rd. 5 SW & 45 th Ave.	Vehicle Accident, general cleanup	13	1	13
12/2/14	37 th Ave. NE	Vehicle Accident, general cleanup	11	1	11
					Total 94

Total CITY firefighter hours for 2014: **5,253**

February 19, 2015

Market Value "Building" Totals Only

February 2015 Values

CITY OF WILLMAR (95)	<u>\$851,392,300</u>
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WILLMAR TOWNSHIP (33)	<u>39,132,500</u>
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DOVRE TOWNSHIP

All of Section 34	\$2,473,600
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All of Section 35	\$14,359,200
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All of Section 36	\$4,659,200
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All of Section 27	\$1,324,500
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All of Section 26	\$9,220,600
-------------------	-------------

All of Section 25	\$20,830,400
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<u>\$52,867,500</u>

KANDIYOHI COUNTY
DATE 2/19/15
TIME 15:12

** VALUATION LISTING **

*** BY TOWNSHIP BY SECTION ***

PREV YEAR FILES

PAGE 2
TRG907 10/19/10
EO JAY

		-----MARKET/TAXABLE VALUES-----		*--TAX CAP TOTALS--*		*--TAX CAP BY%--*		
TILL ACRES	1,710.34	MACHINE		NEW IMPR	STATE TC	179,435	1.50%	41,080
		EXEMPTIONS			Q.T.A.	559,340	2.00%	110,594
		EXCLUSIONS	3,655,000-		NON-HSTD	252,933		
		TOTAL MV	87,464,700	83,809,700	MKT REF	71,869,800		
		BLDG SITE	247,000	247,000				
		HOUSE/GAR	1,243,200	1,243,200				
		OTHER BLD						
TOTAL # OF PARCELS -	385	TOTAL # OF ASSESSMENTS -		397				

KANDIYOHI COUNTY
 DATE 2/19/15
 TIME 15:11

** VALUATION LISTING **

PREV YEAR FILES

PAGE 1
 TRG907 10/19/10
 EO JAY

*** BY TOWNSHIP ***

		-----MARKET/TAXABLE VALUES-----				*--TAX CAP TOTALS--*		*--TAX CAP BY%--*		
TOTAL WILLMAR CITY		LAND	250,844,000	250,781,500	TILLABLE	14,749,500	NET TC	12,841,267	.45%	4,591
		GA LAND	1,188,800	1,188,800	NC HOUSE	5,402,200			.50%	9,645
DEED ACRES	1,815.48	BUILDING	851,392,300	851,392,300	NC OTHER	7,508,500			.75%	142,506
TILL ACRES	1,554.48	MACHINE	512,500	512,500	NEW IMPR	159,400	STATE TC	5,866,979	1.00%	5,666,596
		EXEMPTIONS		67,100-			Q.T.A.	4,734,306	1.25%	953,678
		EXCLUSIONS		115,144,300-			NON-HSTD	8,009,576	1.50%	1,118,873
		TOTAL MV	1,102,748,800	986,748,800			MKT REF	1,075,075,800	2.00%	4,945,378
		BLDG SITE	49,500	49,500						
		HOUSE/GAR	366,800	366,800						
TOTAL # OF PARCELS -	7,080	OTHER BLD								
		TOTAL # OF ASSESSMENTS -		7,289						

KANDIYOHI COUNTY
 DATE 2/19/15
 TIME 15:12

** VALUATION LISTING **

*** BY TOWNSHIP BY SECTION ***

PREV YEAR FILES

PAGE 1
 TRG907 10/19/10
 BO JAY

		-----MARKET/TAXABLE VALUES-----				*---TAX CAP TOTALS---		*--TAX CAP BY%--*		
TOTAL DOVRE TWP SECTION- 25		LAND	16,615,400	16,615,400	TILLABLE	1,142,700	NET TC	412,280	.50%	5,385
DEED ACRES	266.62	GA LAND			NC HOUSE	5,400			1.00%	282,122
TILL ACRES	180.28	BUILDING	20,830,400	20,830,400	NC OTHER	114,200			1.25%	5,155
		MACHINE			NEW IMPR		STATE TC	145,348	1.50%	25,258
		EXEMPTIONS					Q.T.A.	229,229	2.00%	94,360
		EXCLUSIONS		1,342,900-			NON-HSTD	177,666		
		TOTAL MV	37,445,800	36,102,900			MKT REF	32,562,600		
		BLDG SITE	93,000	93,000						
		HOUSE/GAR	456,700	456,700						
		OTHER BLD								
TOTAL # OF PARCELS -	146	TOTAL # OF ASSESSMENTS -		149						
TOTAL DOVRE TWP SECTION- 26		LAND	3,660,800	3,660,800	TILLABLE	1,219,100	NET TC	119,069	.50%	5,856
DEED ACRES	392.99	GA LAND			NC HOUSE				1.00%	106,886
TILL ACRES	228.71	BUILDING	9,220,600	9,220,600	NC OTHER				1.25%	6,327
		MACHINE			NEW IMPR		STATE TC			
		EXEMPTIONS					Q.T.A.	101,761		
		EXCLUSIONS		515,900-			NON-HSTD	12,086		
		TOTAL MV	12,881,400	12,365,500			MKT REF	11,204,300		
		BLDG SITE	62,000	62,000						
		HOUSE/GAR	349,000	349,000						
		OTHER BLD								
TOTAL # OF PARCELS -	52	TOTAL # OF ASSESSMENTS -		52						
TOTAL DOVRE TWP SECTION- 27		LAND	3,320,300	3,320,300	TILLABLE	2,974,200	NET TC	34,425	.50%	11,222
DEED ACRES	629.56	GA LAND			NC HOUSE	17,500			1.00%	23,203
TILL ACRES	509.21	BUILDING	1,324,500	1,324,500	NC OTHER					
		MACHINE			NEW IMPR		STATE TC			
		EXEMPTIONS					Q.T.A.	14,851		
		EXCLUSIONS		80,700-			NON-HSTD	6,093		
		TOTAL MV	4,644,800	4,564,100			MKT REF	1,585,900		
		BLDG SITE								
		HOUSE/GAR								
		OTHER BLD								
TOTAL # OF PARCELS -	16	TOTAL # OF ASSESSMENTS -		18						
TOTAL DOVRE TWP SECTION- 34		LAND	3,624,100	3,624,100	TILLABLE	2,895,600	NET TC	46,601	.50%	15,026
DEED ACRES	625.43	GA LAND			NC HOUSE				1.00%	21,520
TILL ACRES	511.01	BUILDING	2,473,600	2,473,600	NC OTHER				1.25%	9,864
		MACHINE			NEW IMPR		STATE TC	191	1.50%	191
		EXEMPTIONS					Q.T.A.	11,839		
		EXCLUSIONS		139,000-			NON-HSTD	15,069		
		TOTAL MV	6,097,700	5,958,700			MKT REF	2,484,200		
		BLDG SITE	92,000	92,000						
		HOUSE/GAR	437,500	437,500						
		OTHER BLD								
TOTAL # OF PARCELS -	22	TOTAL # OF ASSESSMENTS -		25						
TOTAL DOVRE TWP SECTION- 35		LAND	4,564,200	4,564,200	TILLABLE	590,600	NET TC	175,231	.50%	3,802
DEED ACRES	142.48	GA LAND			NC HOUSE	143,100			1.00%	168,920
TILL ACRES	105.30	BUILDING	14,359,200	14,359,200	NC OTHER	2,100			1.25%	2,509
		MACHINE			NEW IMPR		STATE TC	2,031		
		EXEMPTIONS					Q.T.A.	164,769		
		EXCLUSIONS		1,070,900-			NON-HSTD	4,408		
		TOTAL MV	18,923,400	17,852,500			MKT REF	17,833,300		
		BLDG SITE								
		HOUSE/GAR								
		OTHER BLD								
TOTAL # OF PARCELS -	92	TOTAL # OF ASSESSMENTS -		93						
TOTAL DOVRE TWP SECTION- 36		LAND	2,812,400	2,812,400	TILLABLE	1,091,300	NET TC	79,212	.50%	4,552
DEED ACRES	252.82	GA LAND			NC HOUSE				1.00%	38,949
TILL ACRES	175.83	BUILDING	4,659,200	4,659,200	NC OTHER				1.25%	3,846
		MACHINE			NEW IMPR		STATE TC	31,865	1.50%	15,631
		EXEMPTIONS					Q.T.A.	36,891	2.00%	16,234
		EXCLUSIONS		505,600-			NON-HSTD	37,611		
		TOTAL MV	7,471,600	6,966,000			MKT REF	6,199,500		
		BLDG SITE								
		HOUSE/GAR								
		OTHER BLD								
TOTAL # OF PARCELS -	57	TOTAL # OF ASSESSMENTS -		60						
TOTAL DOVRE TWP SECTION- 37		LAND	34,597,200	34,597,200	TILLABLE	9,913,500	NET TC	866,818	.50%	45,843
DEED ACRES	2,309.90	GA LAND			NC HOUSE	166,000			1.00%	641,600
		BUILDING	52,867,500	52,867,500	NC OTHER	116,300			1.25%	27,701