

Natchaug Hospital, Inc.

Balance Sheets

	September 30	
	2012	2011
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,872,278	\$ 901,687
Accounts receivable, less allowance for uncollectible accounts of \$2,858,000 in 2012 and \$2,168,000 in 2011	5,372,345	4,380,141
Other receivables	223,782	115,101
Inventory and prepaid expenses	255,579	605,733
Due from third-party reimbursement agencies	72,469	41,533
Total current assets	<u>7,796,453</u>	<u>6,044,195</u>
Property, plant, and equipment:		
Land	195,897	195,897
Buildings and leasehold improvements	14,184,533	14,049,530
Equipment	2,954,839	4,069,178
Vehicles	928,616	976,406
	<u>18,263,885</u>	<u>19,291,011</u>
Accumulated depreciation and amortization	(7,143,662)	(8,127,445)
	<u>11,120,223</u>	<u>11,163,566</u>
Construction in process	14,913	13,998
Net property, plant, and equipment	<u>11,135,136</u>	<u>11,177,564</u>
Funds held in trust by others	42,478	-
Other assets	599,586	126,933
	<u>\$ 19,573,653</u>	<u>\$ 17,348,692</u>
Liabilities and net assets		
Current liabilities:		
Accounts payable and other accrued expenses	870,792	711,595
Payroll-related accruals	1,642,477	1,470,194
Due to affiliated corporation	1,222,141	349,034
Current portion of long-term debt	154,277	132,159
Total current liabilities	<u>3,889,687</u>	<u>2,662,982</u>
Accrued pension liability	4,126,288	3,247,737
Other Liabilities	795,842	294,000
Long-term debt, less current portion	2,904,035	3,102,491
Net assets:		
Unrestricted	7,647,079	7,868,019
Temporarily restricted	168,244	173,463
Permanently restricted	42,478	-
	<u>7,857,801</u>	<u>8,041,482</u>
	<u>\$ 19,573,653</u>	<u>\$ 17,348,692</u>

Natchaug Hospital, Inc.

Statements of Operations and Changes in Net Assets

	Years Ended September 30	
	2012	2011
Unrestricted revenues, gains, and other support:		
Net patient service revenue	\$ 47,540,272	\$ 44,467,751
Other revenue	9,844	17,780
Net assets released from restriction for operations	19,284	67,442
	47,569,400	44,552,973
Operating expenses:		
Salaries and employee benefits	36,629,016	35,500,968
Purchased services and professional fees	3,649,520	3,475,659
Supplies and other	4,494,741	4,329,082
Provision for uncollectible accounts	758,212	577,661
Depreciation and amortization	887,474	926,858
Interest	225,786	242,189
	46,644,749	45,052,417
Excess of revenues over expenses	924,651	(499,444)
Change in net assets related to pension plan	(1,202,193)	(368,721)
Net assets released from restriction for property, plant, and equipment	56,602	96,256
Increase (decrease) in unrestricted assets	(220,940)	(771,909)
Temporarily restricted contributions	70,667	127,808
Net assets released from restriction for property, plant, and equipment	(56,602)	(96,256)
Net assets released from restriction for operations	(19,284)	(67,442)
Increase (decrease) in temporarily restricted net assets	(5,219)	(35,890)
Permanently restricted net assets Contribution	42,478	
Increase permanently restricted net assets	42,478	
Increase (decrease) in net assets	(183,681)	(807,799)
Net assets at beginning of year	8,041,482	8,849,281
Net assets at end of year	\$ 7,857,801	\$ 8,041,482

Natchaug Hospital, Inc.

Statements of Cash Flows

	Years Ended September 30	
	2012	2011
Operating activities		
Change in net assets	\$ (183,681)	\$ (807,799)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Noncash items:		
Depreciation and amortization	887,474	926,858
Provision for uncollectible accounts	758,212	577,661
Change in net assets related to pension plan	1,202,193	368,721
Change in other long term liabilities	501,842	(15,000)
Other changes in net assets:		
Temporarily restricted contributions	(70,667)	(127,808)
Changes in assets and liabilities:		
Accounts receivable	(1,750,416)	(673,091)
Other receivables, inventory and prepaid expenses	236,083	18,495
Other assets	(555,573)	(12,300)
Accounts payable, other accrued expenses, and payroll-related accruals	331,480	217,103
Due from third-party reimbursement agencies	(30,936)	77,708
Accrued pension obligation and other	(323,642)	209,179
Due to related parties	873,107	206,526
Net cash provided by operating activities	<u>1,875,476</u>	<u>966,253</u>
Investing activity		
Purchases of property, plant, and equipment, net	(799,215)	(654,013)
Net cash used in investing activity	<u>(799,215)</u>	<u>(654,013)</u>
Financing activities		
Temporarily restricted contributions	70,667	127,808
Principal payments on obligations	(176,338)	(527,474)
Net cash used in financing activities	<u>(105,671)</u>	<u>(399,666)</u>
Increase in cash and cash equivalents	970,591	(87,426)
Cash and cash equivalents at beginning of year	901,687	989,113
Cash and cash equivalents at end of year	<u>\$ 1,872,278</u>	<u>\$ 901,687</u>