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REPORT OF INDEPENDENT AUDITORS

Board of Managers
The Heart Hospital at Deaconess Gateway, LLC
Newburgh, Indiana

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of The Heart Hospital at Deaconess Gateway, LLC (the "Heart Hospital"), which comprise the balance sheets as of September 30, 2013 and 2012, and the related statements of operations and changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Board of Managers
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Newburgh, Indiana

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Heart Hospital as of September 30, 2013 and 2012, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Blue & Co., LLC
Indianapolis, Indiana
January 21, 2014

THE HEART HOSPITAL AT DEACONESS GATEWAY, LLC

BALANCE SHEETS SEPTEMBER 30, 2013 AND 2012

ASSETS		
	2013	2012
Current assets		
Cash	\$ 2,710,952	\$ 1,974,496
Patient accounts receivable less allowance for estimated uncollectible amounts of \$1,929,280 in 2013 and \$2,277,296 in 2012	6,725,421	7,073,324
Inventories	867,695	765,570
Prepaid expenses and other current assets	68,620	81,249
Total current assets	10,372,688	9,894,639
Property and equipment		
Property and equipment	7,963,539	5,969,078
Less accumulated depreciation	3,391,399	2,785,917
Property and equipment, net	4,572,140	3,183,161
Other assets		
	6,658,815	6,658,815
Total assets	\$ 21,603,643	\$ 19,736,615
LIABILITIES AND MEMBERS' EQUITY		
Current liabilities		
Accounts payable and accrued expenses	\$ 1,704,251	\$ 1,605,782
Related party payable	2,046,591	2,094,187
Current portion of long-term debt	229,291	-0-
Estimated third party settlements	2,182,194	2,104,686
Total current liabilities	6,162,327	5,804,655
Long-term debt, less current portion	862,541	-0-
Total liabilities	7,024,868	5,804,655
Members' equity		
	14,578,775	13,931,960
Total liabilities and members' equity	\$ 21,603,643	\$ 19,736,615

See accompanying notes to financial statements.

THE HEART HOSPITAL AT DEACONESS GATEWAY, LLC

STATEMENTS OF OPERATIONS AND CHANGES IN MEMBERS' EQUITY YEARS ENDED SEPTEMBER 30, 2013 AND 2012

	2013	2012
Operating revenue		
Net patient service revenue	\$ 49,469,887	\$ 51,771,272
Less provision for bad debts	1,091,523	1,537,873
Net patient service revenue net of provision for bad debts	48,378,364	50,233,399
Other operating revenue	1,061,141	1,333,384
Total operating revenue	49,439,505	51,566,783
Operating expenses		
Medical supplies	14,419,345	14,348,884
Other general supplies	157,927	137,790
Contract services	18,034,415	18,463,595
Repairs and maintenance	365,685	359,971
Depreciation	612,481	463,740
Interest	1,913	4,412
Utilities	277,812	305,712
Lease and rentals	2,711,588	2,747,066
Other	1,282,925	1,433,866
Total operating expenses	37,864,091	38,265,036
Operating income	11,575,414	13,301,747
Nonoperating revenue		
Interest income and other	958	1,435
Gain on disposal of assets	1,610	-0-
Total nonoperating revenue	2,568	1,435
Net income	11,577,982	13,303,182
Members' equity, beginning of year	13,931,960	15,523,891
Distributions to members	(10,931,167)	(14,895,113)
Members' equity, end of year	\$ 14,578,775	\$ 13,931,960

See accompanying notes to financial statements.

THE HEART HOSPITAL AT DEACONESS GATEWAY, LLC

STATEMENTS OF CASH FLOWS YEARS ENDED SEPTEMBER 30, 2013 AND 2012

	2013	2012
Operating activities		
Net income	\$ 11,577,982	\$ 13,303,182
Adjustments to reconcile net income to net cash from operating activities		
Depreciation	612,481	463,740
Provision for bad debts	1,091,523	1,537,873
Changes in operating assets and liabilities		
Patient accounts receivable	(743,620)	(1,592,388)
Inventories and other current assets	(89,496)	(9,830)
Accounts payable and accrued expenses	98,469	164,689
Related party payable	(47,596)	(2,105,602)
Estimated third party settlements	77,508	46,835
Net cash flows from operating activities	12,577,251	11,808,499
Investing activities		
Purchase of property and equipment	(2,001,460)	(694,722)
Financing activities		
Distributions to members	(10,931,167)	(14,895,113)
Proceeds from issuance of long-term debt	1,091,832	-0-
Payments on line of credit, net	-0-	(1,131)
Net cash flows from financing activities	(9,839,335)	(14,896,244)
Net change in cash	736,456	(3,782,467)
Cash, beginning of year	1,974,496	5,756,963
Cash, end of year	\$ 2,710,952	\$ 1,974,496
Other supplemental information		
Cash paid for interest	\$ 1,913	\$ 4,663

See accompanying notes to financial statements.