

Monthly Financial Report for January 2011

Summary

TVHC produced net revenue of \$948,028 and an operating loss of \$119,154 during January 2011 compared to revenue of \$1,046,765 and an operating loss of \$30,453 for the same period last year. These results compare to budgeted January 2011 revenue of \$974,585 an operating gain of \$10,117, respectively.

The 5.2% lower year over year actual revenue reflects lower in-patient volume. Total operating expenses decreased 1.1% in January 2011 compared to prior year levels, reflecting the impact of higher benefits, supplies and physician services. YTD operating gain for FY 2011 was \$110,442 compared to a gain of \$98,596 for the same period last year.

TVHC's cash position increased by \$303,477 during January 2011. TVHC ended January 2011 with a cash balance of approximately \$802,167, compared to a cash balance of \$498,690 at the end of December 2010. The provision for bad debt was \$133,376 for the month of January 2011 compared to \$144,423 for the month of December 2010.

Operations Review

Clinics – Combined gross revenue (both clinics) was \$319,422 during January 2011 compared to \$283,786 for the same period last year. There was 12.6% higher revenue for the month compared the prior year levels. Victor had 91 more visits or 54.9% increase and Driggs had 40 more visits or 3.9% increase in January 2011. Volume gain was from acuity care compared to Flu shots LY.

Hospital – Gross in-patient revenue was \$10,985 during January 2011 compared to \$301,651 for the same period last year. The 96.4% lower revenue reflects 0 IP Surgeries, 5 Medical IP, and 1 Swing Bed admits for January 2011 compared to 2IP Surgeries, 18 Medical IP, and 2 Swing Bed admits in January 2010. Gross out-patient revenue was \$879,771 during January 2011 compared to \$690,762 during the same period last year. The 27.4% increase in comparable revenue reflects 33 Out Patient surgeries for the month compared to 22 in January 2010. Contractuals were higher over prior year as a result of higher reserve percentages and \$48,577 increase in Policy adjustments.

Operating Expenses – Total operating expenses were \$1,103,705 during January 2011 compared to \$1,115,617 for the same period last year. Benefits increased 17% due to higher premiums and more utilization, more employees using the retirement plan and payment to the defined plan fees. Supplies were higher because of the increase in Pharmacy cost due to higher volume. Physician fees were higher because more specialty visits in the Clinic.

Other Items-