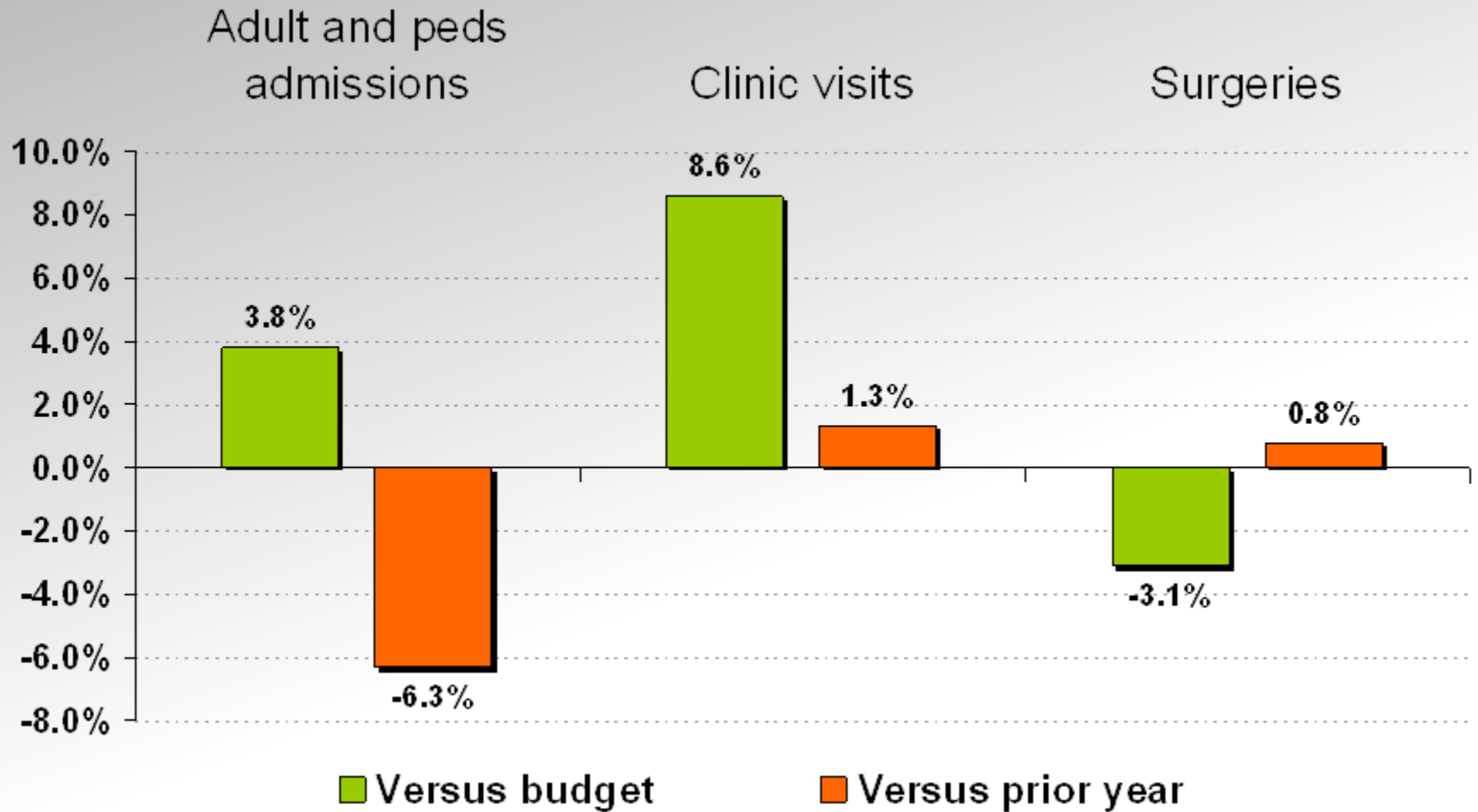


SUMMARY OF OPERATING RESULTS APRIL 2014

UWHC Finance Committee
and Authority Board

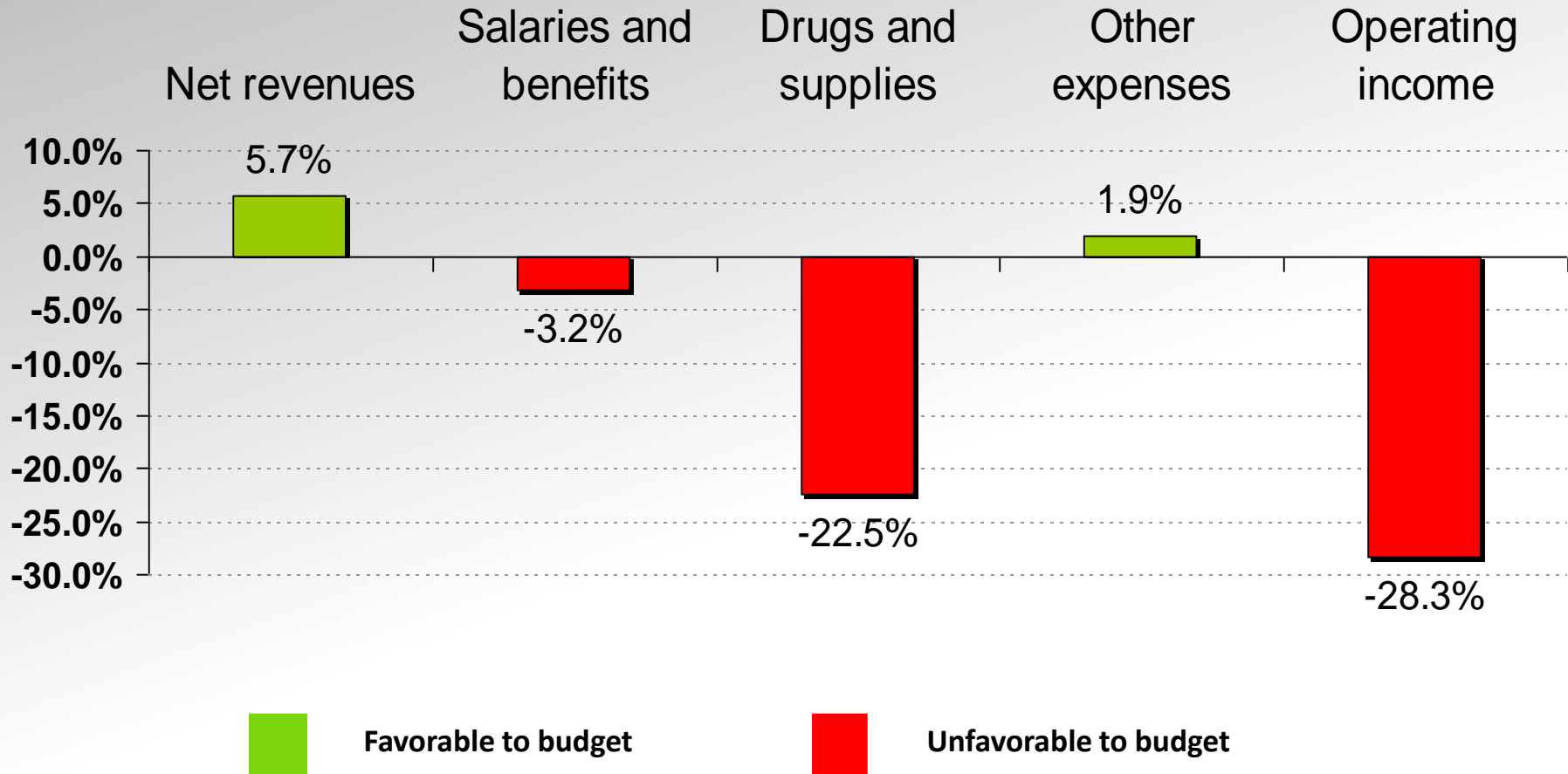
Selected Volume Statistics

April 2014



Monthly Variances from Budget

April 2014



Summary of Operating Results

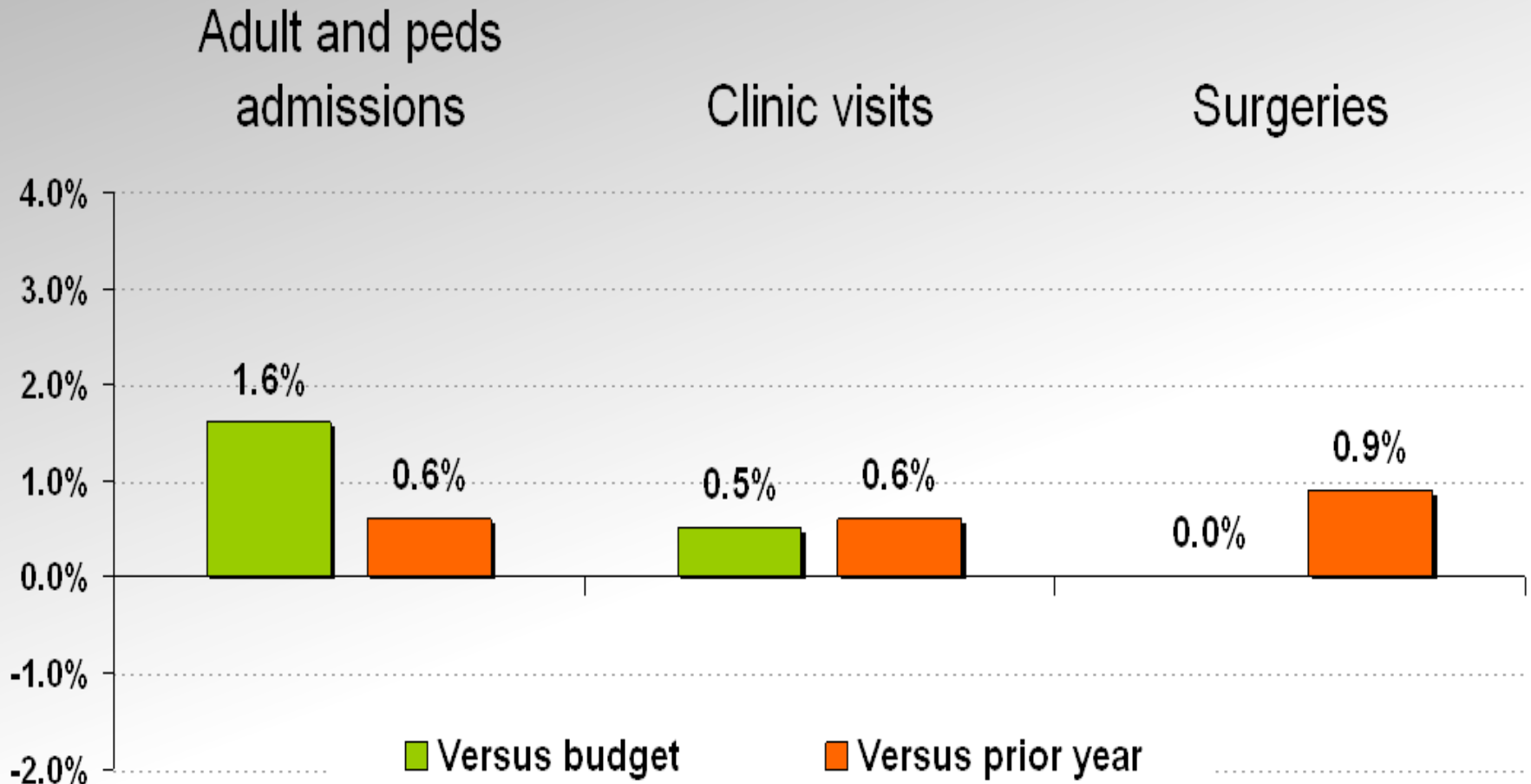
Month of April 2014

(Amounts in \$\$ Millions)

	Actual Apr 2014	Budget Apr 2014	Actual Apr 2013	2014 Variance Vs. Budget 2013	
Operating Revenue	\$ 110.8	\$ 104.9	\$ 102.6	5.6%	8.0%
Operating Expenses:					
Salaries and fringe benefits	53.9	52.2	50.7	3.3%	6.3%
Medical materials and supplies	26.1	21.3	22.4	22.5%	16.5%
Other expenses	28.2	27.7	26.0	1.8%	8.5%
Total Operating Expenses	108.2	101.2	99.1	6.9%	9.2%
Income from Operations	2.6	3.7	3.5		
Nonoperating Income	3.1	1.3	4.8		
Net Income	\$ 5.7	\$ 5.0	\$ 8.3		

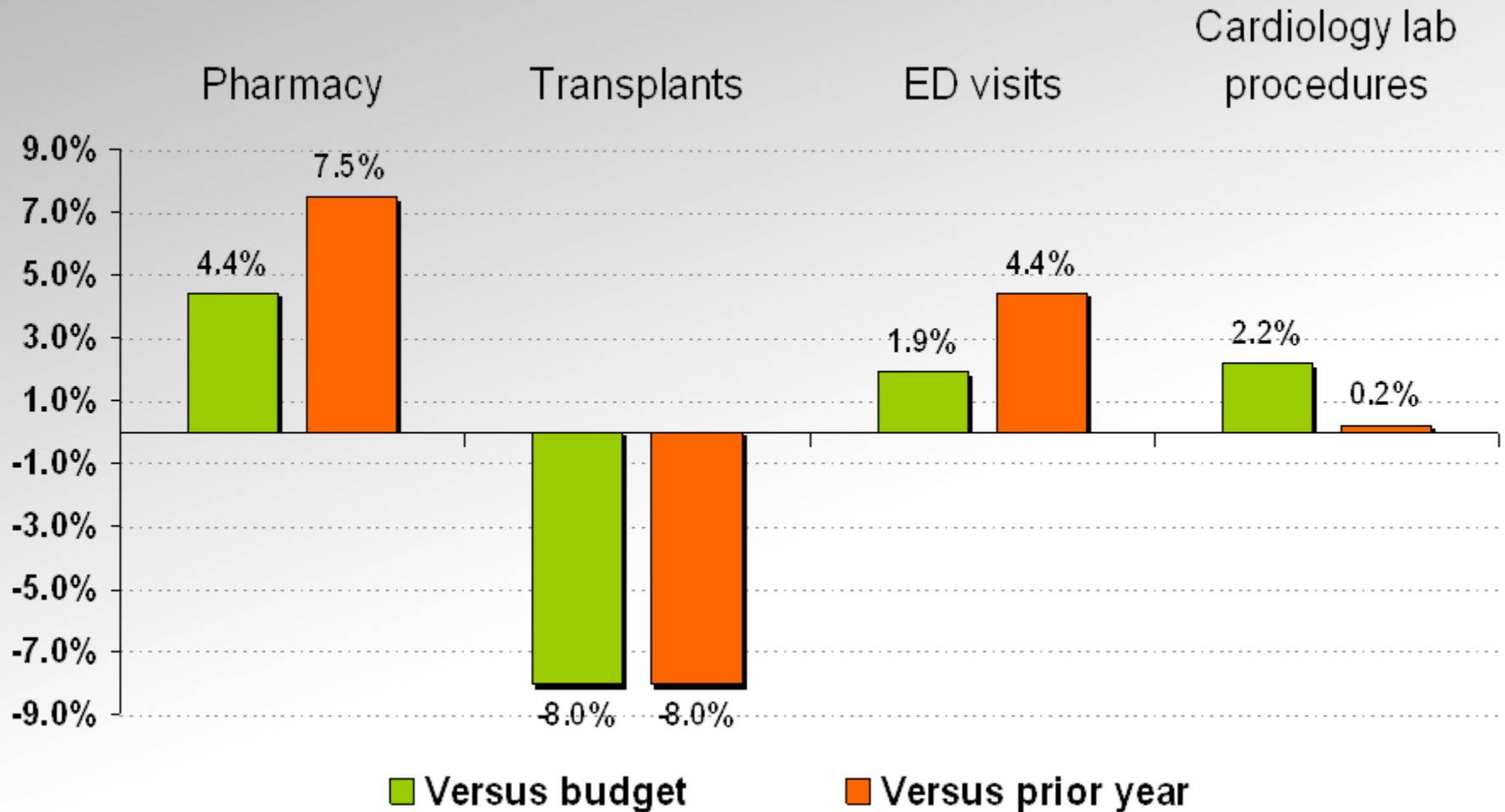
Selected Operating Statistics YTD

Ten Months Ended April 30, 2014



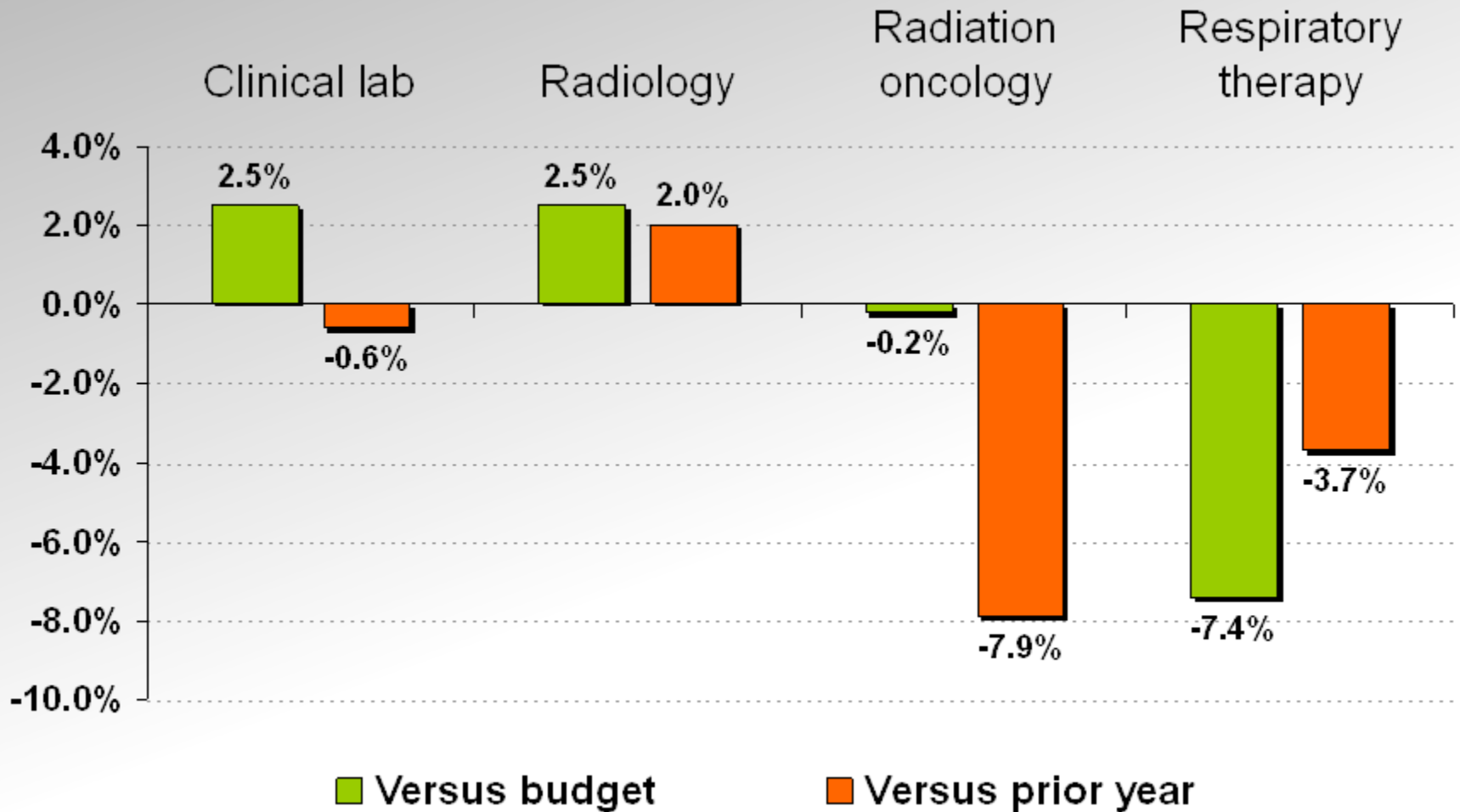
Selected Other Volume Statistics

Ten Months Ended April 30, 2014

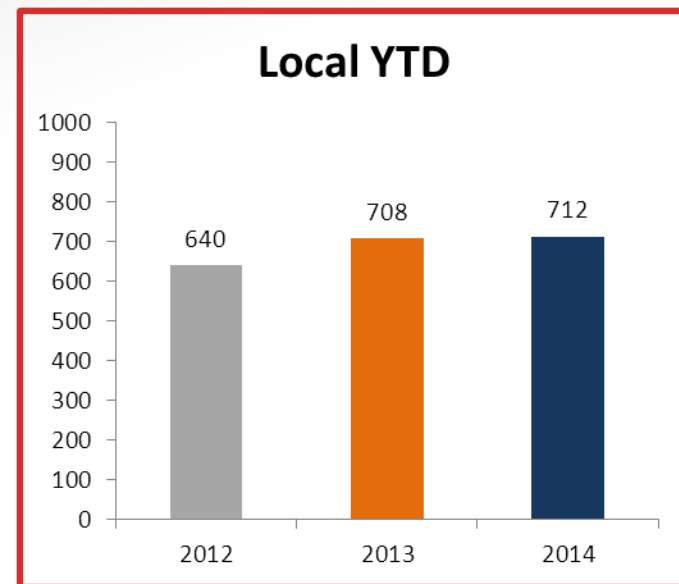
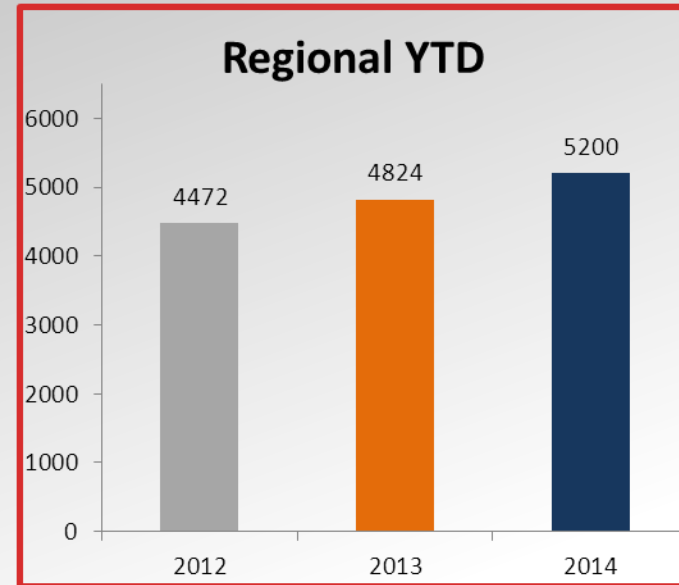
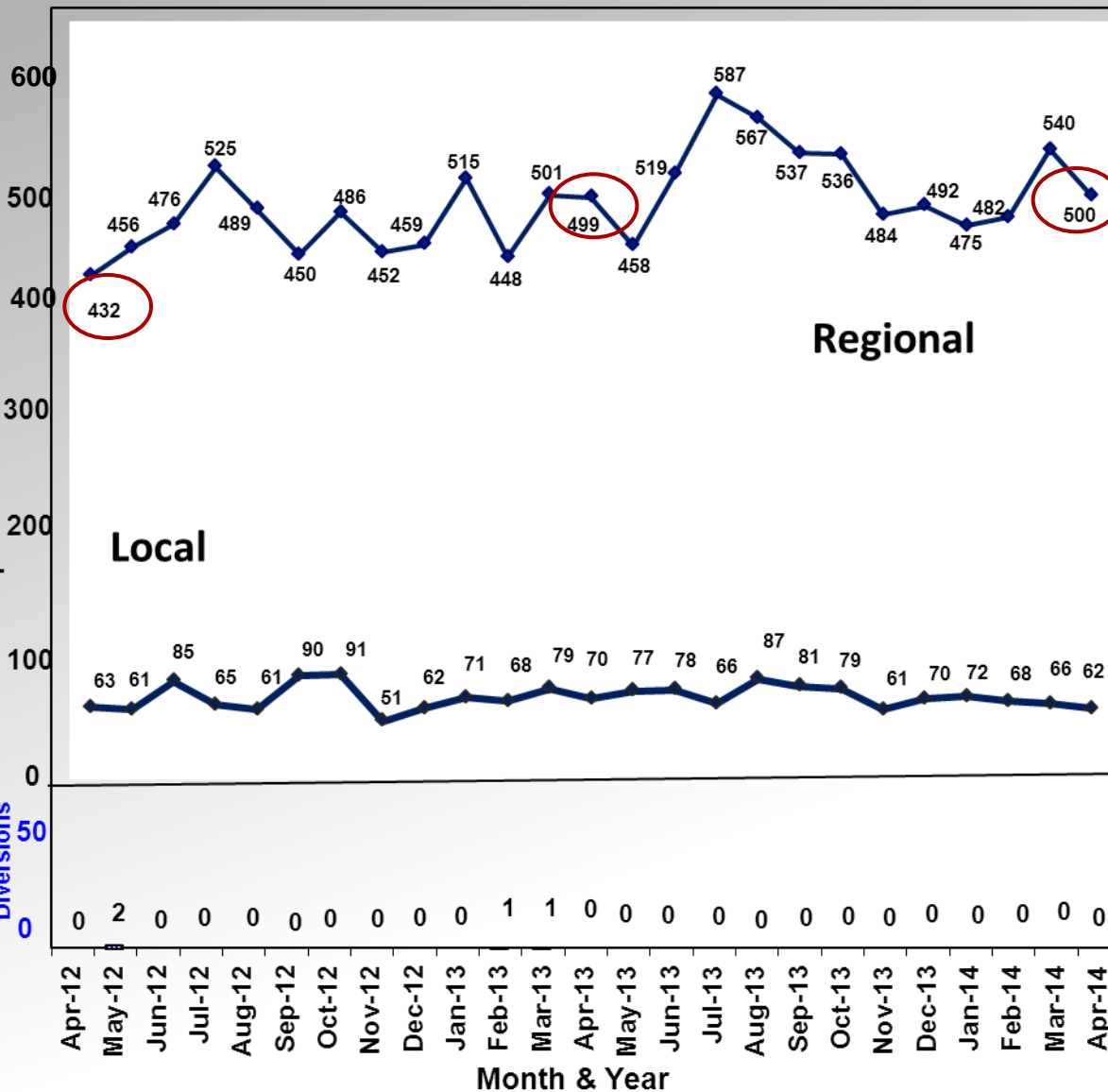


Selected Other Volume Statistics

Ten Months Ended April 30, 2014



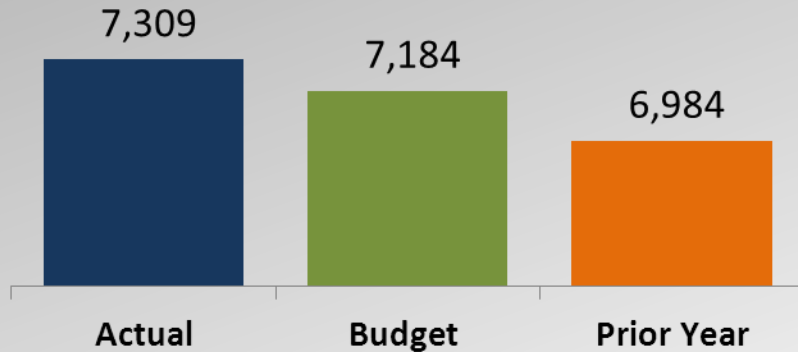
Interhospital Transfers & Diversions



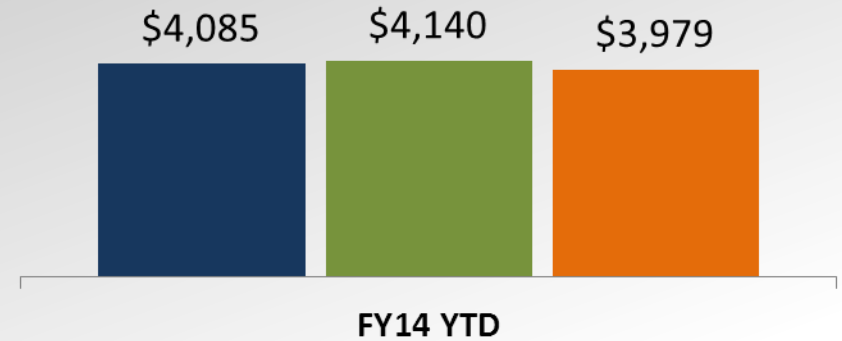
* Both exclude Local and Regional Transfers to UWHC Emergency Department, not admitted.

FTE's and Cost per CMI Adjusted Discharge YTD

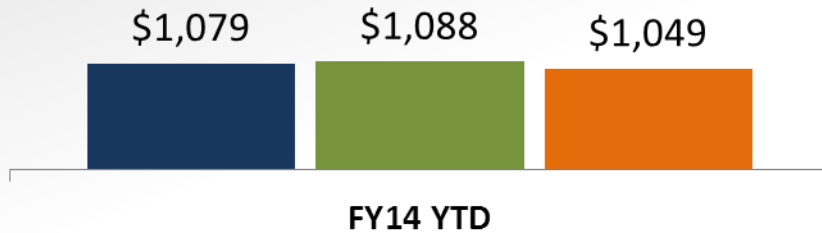
FTE's Including Agency and Overtime



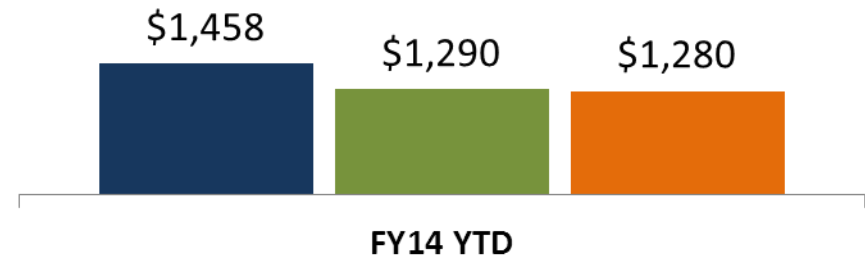
Salary & Agency



Medical and Surgical Supplies



Pharmaceuticals



Summary of Operating Results

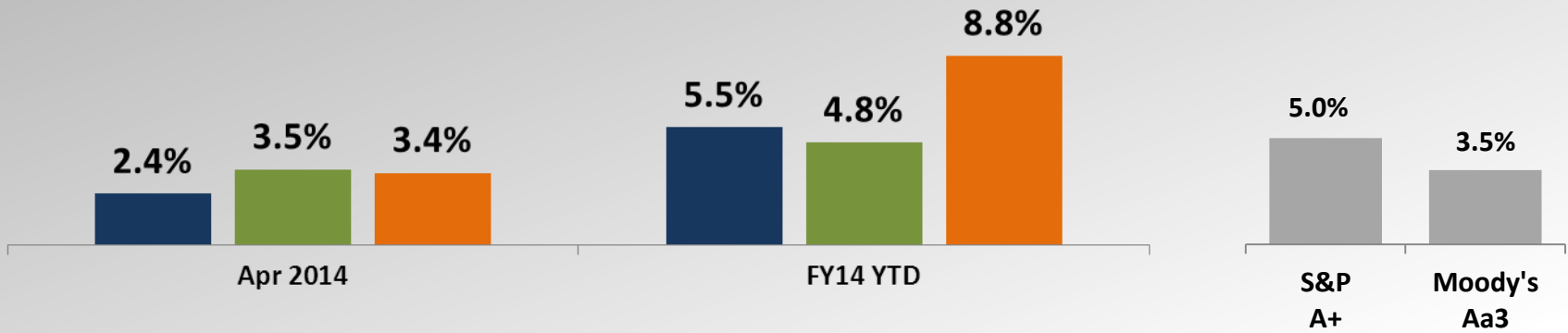
Ten Months Ended April 30, 2014

(Amounts in \$\$ Millions)

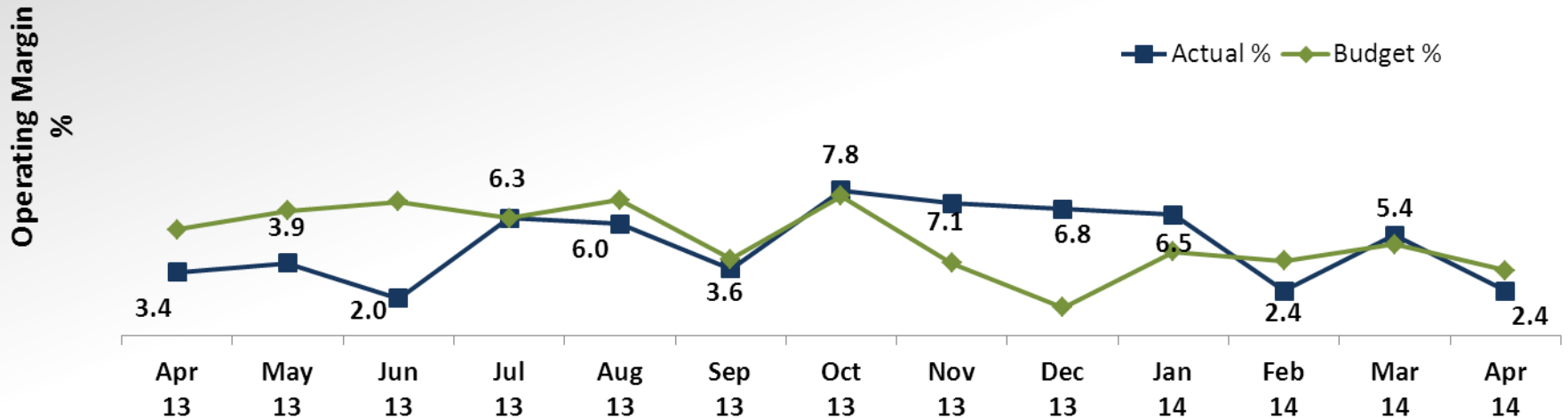
	Actual YTD Apr 2014	Budget YTD Apr 2014	Actual YTD April 2013	YTD 2014 Variance Vs. Budget 2013	
Operating Revenue	\$ 1,109.2	\$ 1,061.6	\$ 1,049.8	4.5%	5.7%
Operating Expenses:					
Salaries and fringe benefits	537.7	523.4	494.8	2.7%	8.7%
Medical materials and supplies	237.3	215.4	211.0	10.2%	12.5%
Other expenses	273.5	272.0	251.6	0.6%	8.7%
Total Operating Expenses	1,048.5	1,010.8	957.4	3.7%	9.5%
Income from Operations	60.7	50.8	92.4		
Nonoperating Income	28.4	12.8	(11.1)		
Net Income	\$ 89.1	\$ 63.6	\$ 81.3		

Operating Margin %

Actual Budget Prior Year



Operating Margin by Month



Performance Ratios

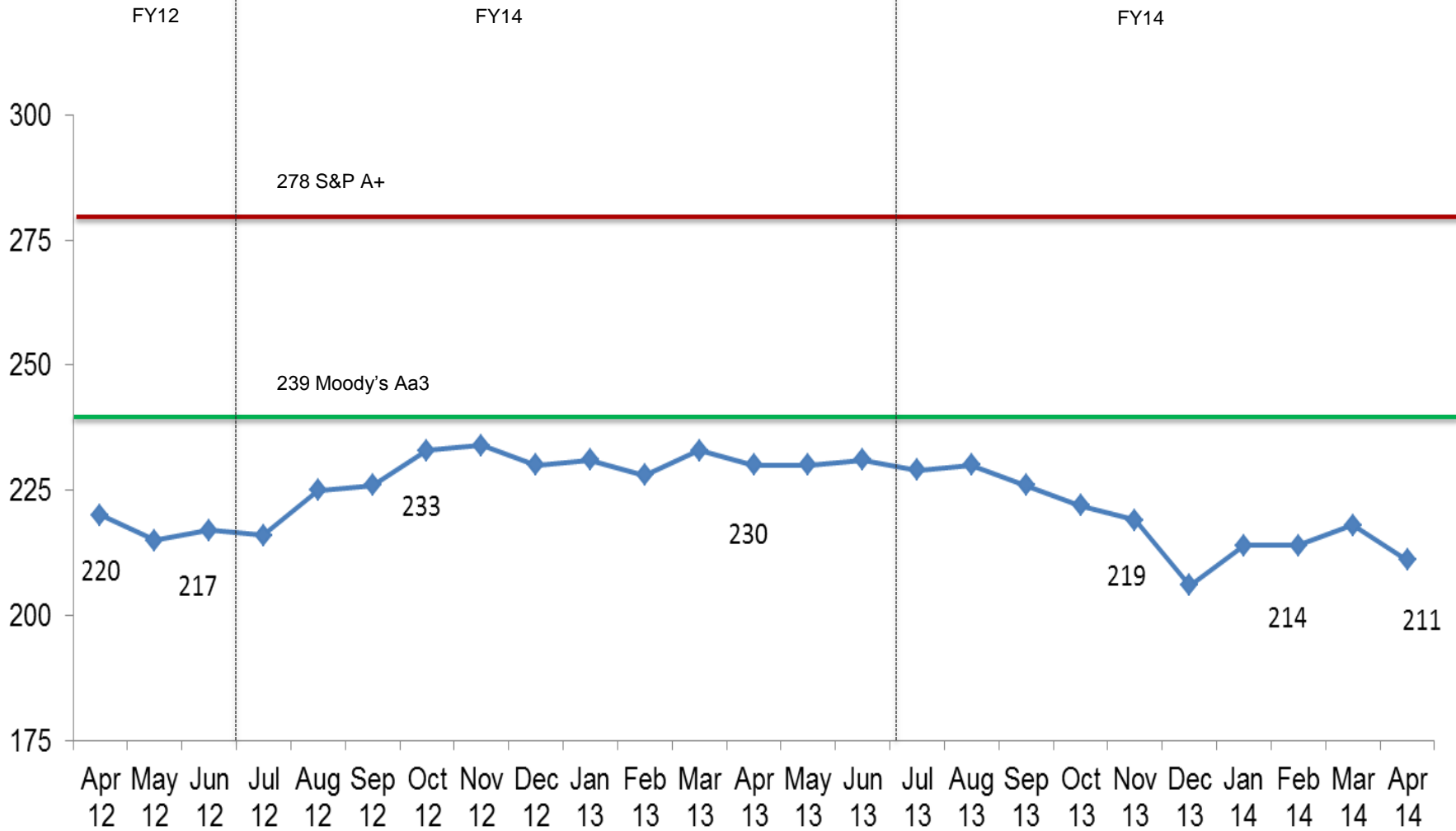
	Favorable Direction	FY 14	Budget or Target	Industry Comparisons		
				S&P 500 "A+" Rated	Moody's "Aa3" Rated	UWHCA Bond Covenant
Operating Margin	↑	5.5%	4.8%	5.0%	3.5%	
Total Margin	↑	7.8%	5.9%	7.5%	7.2%	
Days Cash on Hand *	↑	211	229	278	239	90
Days in Accounts Receivable	↓	44	45	50	52	
Debt Service Coverage Ratio **	↑	4.5	4.1	5.1	6.0	1.25
Long Term Debt to Capitalization	↓	33.0%	34.0%	26.8%	31.8%	65%
Operating Cash Flow	↑	10.1%	9.4%	12.2%	10.4%	
Cash-to-Debt	↑	151.9%	161.0%	197.3%	177.4%	

* Days Cash on Hand calculated as a rolling 12 month average

Accounts Receivable Monitoring Program

	Net Accounts Receivable	Net Days Revenue Outstanding
April 13	151,039,643	45
May 13	139,691,893	43
June 13	142,670,990	43
July 13	146,327,298	43
August 13	149,852,744	43
September 13	150,400,506	43
October 13	148,359,360	42
November 13	154,020,099	44
December 13	154,712,001	43
January 14	158,585,434	44
February 14	162,436,680	45
March 14	162,761,040	45
April 14	160,729,322	44

Days Cash on Hand



Comparison of Charity Care & Bad Debt Expense

	FY 14 Actual	FY 14 Budget	Variance	% Variance	FY 13 Actual	Variance	% Variance
Charity	\$ 50,547,751	\$ 55,586,811	\$ (5,039,060)	-9.1%	\$ 48,632,355	\$ 1,915,396	3.9%
% of Revenue	2.05%	2.30%			2.14%		
Bad Debt	32,467,695	29,001,815	3,465,880	12.0%	22,066,795	\$10,400,900	47.1%
% of Revenue	1.32%	1.20%			0.97%		
Total	\$ 83,015,446	\$ 84,588,626	\$ (1,573,180)	-1.9%	\$ 70,699,150	\$ 12,316,296	17.4%
Gross Revenue	\$ 2,467,811,402	\$ 2,416,817,879	\$ 50,993,523	2.1%	\$ 2,270,080,101	\$ 197,731,301	8.7%
Total Bad Debt & Charity as % of Revenue	3.4%	3.5%			3.1%		

EBITDA vs. Debt Service & Capital Expenditures

(000) Omitted

	<u>Actual</u>	<u>Budget</u>
<u>Cash Provided:</u>		
Net Income, excluding change in fair value gains/losses & payment to UWSMPH for capital expenditure support	\$76,583	\$65,200
Depreciation	41,347	39,625
Interest Expense	9,481	9,583
EBITDA	<u>\$ 127,411</u>	<u>\$ 114,408</u>
<u>Cash (Used) for Capital Expenditures, Debt Service and Working Capital:</u>		
Capital Expenditures	(142,824)	(166,750)
Est Annual Debt Service	(23,929)	(26,623)
Capital Contribution to UW for Capital Expenditures	(667)	(667)
Capital Contribution in Joint Ventures	(4,850)	(1,219)
Decrease (increase) in Working Capital	(34,403)	10,227
Total (Used) Provided	<u>(\$206,673)</u>	<u>(\$185,032)</u>
Cash Available for Temporary Investment and Future Capital Expenditures	<u>\$ (79,262)</u>	<u>\$ (70,624)</u>

Summary of Changes in Net Assets

Nine Months Ended April 30, 2014

Net assets at beginning of period	<u>\$861,819,653</u>
Net income, excluding change in fair value gains/losses and payments to UWMSPH for capital expenditure support	76,583,810
Change in Fair value of investments	13,071,975
Change in Fair value of swap agreements	106,663
Payments to UW School of Medicine and Public Health for capital expenditure support	(666,978)
Capital grants, gifts and donations	2,747,840
Additions to permanent gift endowments	13,430
Increase in net assets	<u>\$91,856,740</u>
Net assets at end of period	<u><u>\$953,676,393</u></u>

Comparison to Local Competitors

***April 30, 2014 vs. 2013**

	<u>UWHC</u>	<u>Meriter</u>	<u>St. Mary's</u>	<u>Total</u>
% Change in Admissions				
Current Month	(6.3)%	(4.5)%	(2.7)%	(4.7)%
3 Month Rolling Average	(1.9)%	(6.3)%	(1.5)%	(2.9)%
12 Month Rolling Average	(0.1)%	(3.4)%	(2.7)%	(1.8)%
% Change in Average Daily Census				
Current Month	(2.8)%	4.1%	2.4%	0.3%
3 Month Rolling Average	(0.7)%	(3.1)%	4.0%	0.0%
12 Month Rolling Average	(0.7)%	0.2%	(2.2)%	(0.9)%

UWHC Investment Balances & Returns

<u>Account</u>	<u>April Market Value Balances</u>	<u>Investment Allocation</u>	<u>April YTD Investment Return</u>	<u>Benchmark</u>
Operating Account and Commercial Paper				
US Bank	\$ 49,416,818	6.9%	0.18%	0.04% (A)
Short Term Bond Fund				
USBank/Nuveen	\$ 151,974,395	21.4%	2.17%	-0.93% (B)
Intermediate Bond Fund				
USBank/Baird	\$ 230,026,291	32.3%	2.84%	0.72% (C)
Capital Replacement Fund				
Account - UW Foundation	\$ 157,298,132	22.1%	0.17%	0.17% (D)
Endowment Fund				
Securities				
UW Foundation	\$122,706,826	17.2%	11.63%	14.25% (E)
Total Unrestricted Funds	\$ 711,422,462	100.0%	3.4%	2.5%

(A) 90-day Treasury Bills

(B) Barclays 1-3 year Gov/ Credit less fees

(C) Barclays Capital Intermediate Gov/ Credit less fees

(D) Average 1 Month LIBOR

(E) 75% of Russell Global plus 25% of Barclays Global Aggregate Bond less fees