

Exhibit 9.1

Five Year Projected Budget for the New Health System

FTI Consulting ("FTI") was engaged by the Parties for the purpose of providing an independent and objective review focused on the identification and quantification of potential economies and efficiencies gained through the integration of Wellmont Health System (WHS) and Mountain States Health Alliance (MSHA). Through the development of a financial model (the "Financial Model"), FTI calculated baseline ("Baseline") financial statements for the combined New Health System. The "Baseline" financial statements served as the source for the creation of financial statements for the New Health System to demonstrate the expected impact of the identified synergies of the merger, the "Preliminary Efficiencies" financial statements.

The work completed by FTI was performed by members of FTI's Health Solutions Practice. This Practice consists of over 300 professionals including clinicians, healthcare executives, strategists, and functional specialists located in 27 offices across the United States. Many of FTI's Health Solutions executives have more than 25 years of experience leading health systems, hospitals, and physician organizations; designing and implementing enhanced performance programs; and performing complex healthcare operational and financial analyses. In performance of our work, FTI utilized processes, procedures and methodologies consistent with merger, affiliation and cost efficiency work that we have performed for other healthcare clients. The FTI Team included one member who was involved in the Memorial Mission Hospital/St. Joseph's Hospital COPA development in 1995. FTI created the Financial Model in accordance with Generally Accepted Accounting Principles ("GAAP").

Financial Model

Creation of the Financial Model. The "Baseline" Financial Model portrays the combined operations of the Parties primarily utilizing information contained within the audited financial statements as well as other publicly available data. This financial information is referred to as the "Baseline" financials or the (A + B = C) financial statements. Out of an abundance of caution, FTI worked under a Black Box agreement and established a "Black Box Team" in order to be able to review and take into consideration information that could be deemed proprietary and confidential in creating the assumptions that underpin the projections in our Financial Model.

The "Preliminary Efficiencies" financial statements for the New Health System in FTI's financial model reflect the impacts from the potential efficiency savings to be derived from the synergies identified as well as the expenditures related to the intended uses of efficiency savings for the public benefit as determined by the Parties. The "Preliminary Efficiencies" financial statements are built off of the "Baseline" financial statements. These statements are intended to represent the financial impacts to the New Health System as the result of achieving the identified efficiency savings and investing in the new public benefit initiatives.

In creating both the “Baseline” and “Preliminary Efficiencies” financial statements, the FTI “Clean Team” members considered, but did not directly incorporate in an identifiable way, specific financial information provided by each individual organization in their business plans, projections, or any other source of information that was deemed to be confidential or proprietary given the competitive environment in which the Parties currently operate. All assumptions related to projections in pricing, volume, costs, and other income and expenses are based on the Parties’ combined historical performance, adjusted by FTI’s understanding of the health care provider industry and experience in developing financial forecasting models. Certain financial line items have been consolidated, blended or otherwise adjusted to protect the confidentiality of proprietary information, where applicable.

Both the “Baseline” and “Preliminary Efficiencies” financials include an income statement, balance sheet, and a statement of cash flows. In addition to those schedules, FTI created (1) debt schedules, and (2) PP&E and Capital Expenditures schedules. These schedules calculate certain balance sheet accounts that are dependent on income statement accounts and other investing or financing activities that are not reflected on the face of the income statement.

Timing and Phases of Efficiency Assumptions. During discussions with the Parties’ Management teams, FTI validated “phase in” periods separately for each of the efficiencies savings from “Non-Labor”, “Labor” and “Clinical” work areas. No efficiency savings are projected to be implemented in whole or in part until the FYE 6/17, and timing varies based on the agreed upon ability to successfully implement each individual opportunity.

“Baseline Model” – Income Statement. In the points enumerated below, we delineate the key drivers and/or assumptions used in the Baseline Financial Model for the preparation of a combined New Health System Income Statement. The assumptions apply general industry expectations in accordance with historical performance, and do not include any known or anticipated changes in operations for the individual hospitals that would be deemed to be proprietary or confidential in a manner that would allow either Party’s proprietary or confidential information to be calculated.

- **Revenue.** The key drivers for this account are service volume and reimbursement rates, which are built into the model as percentage changes and applied to the prior year volume and reimbursement rates. Service volume is based on adjusted patient days (“APD”) and reimbursement rates utilize net patient service revenue (“NPSR”) per APD as the proxy for reimbursement rates. Revenue includes the revenue related to Joint Ventures (“JVs”) that are consolidated for financial reporting purposes. The net income attributable to the JVs is eliminated in the “Other non-operating items” line in the income statement. The service volume assumptions in the model account for an initial decrease in service volume related to changes in utilization based on industry trends. The later periods reflect consistent service volume based COPA commitments to maintain/expand locations and services currently available to the community. The model assumption for NPSR per APD includes an annual increase of 2.0%.

- **Other Revenues.** The model assumes other revenues remain flat each year over the 5-year forecasted period.
- **Salaries, Wages, & Benefits.** The key drivers for this expense are total paid full-time equivalents (“FTEs”) and average salaries, wages, & benefits (SW&B) per paid FTE. The total paid FTEs is a function of service volume, which is related to APDs; however, the assumption does not include a proportionate decline in paid FTEs and APDs. Since a portion of the staff is corporate overhead and would not necessarily increase or decrease with service volume, FTI reduced the change in FTE’s by 15% of the change in volume (e.g., if patient volume decreased by 2%, then paid FTEs would only decrease by 1.7%). Additionally, there is an independent assumption that applies a percentage change to the prior period average SW&B per paid FTE to calculate the current period SW&B per paid FTE. The total salaries, wages, & benefits is the product of the current period paid FTEs and the current period average SW&B per paid FTE. The model assumption for SW&B per paid FTE is an annual increase of 3.0%.
- **Medical Supplies & Drugs.** The key drivers for these expenses are service volume and product costs. The financial model calculates the average medical supplies & drugs cost per APD from the base period. Then the model incorporates a cost increase from prior period to the current period for the average medical supplies & drugs cost per APD. The total “medical supplies & drugs” expense is the product of the current period medical supplies & drugs cost per APD and the service volume (e.g., APD). The model assumption for the percentage change is an annual increase of 2.5%.
- **Purchased Services Assumption.** The model assumption applies a percentage change to the prior period amount to calculate the current period amount. The model assumption for the percentage change is an annual increase of 3.0%.
- **Interest & Taxes.** The model uses a blended interest rate of 4.0% derived from the historical experience of the Parties. The outstanding long-term debt balance used in the model is described in the “Baseline Debt Schedule” of this document. The model does not include an input for taxes due to their immaterial nature to the Parties historically.
- **Depreciation & Amortization.** The key drivers are rate of depreciation & amortization, asset disposals, and capital expenditures. The primary assumptions that impact these expenses are capital expenditures and the useful life of property, plant, and equipment (“PP&E”). This represents a non-cash expense and is primarily a function of the PP&E on New Health System’s balance sheet.
- **Maintenance & Utilities.** The model applies a percentage change to the prior period amount to calculate the current period amount. The model assumption for the percentage change is an annual increase of 3.0%.
- **Lease & Rental.** The model applies a percentage change to the prior period amount to calculate the current period amount. The model assumption for the percentage change is an annual increase of 2.5%.

- **Other Expenses.** The model applies a percentage change to the prior period amount to calculate the current period amount. The model assumption for the percentage change is an annual increase of 4.0%.
- **Investment Income.** The key drivers are the rate of return on investments and the long-term investments amount on the balance sheet. The total investment income is the product of the rate of return and the long-term investments balance. The model assumes that investment income is rolled into the long-term investment balance at the end of the fiscal year. The model assumption for the interest income is an annual increase of 2.0%.
- **Derivative Valuation Adjustments.** This expense represents an event driven scenario that would produce a non-cash expense. The user of the financial model may manually change this amount given such an event is known; however, the model, as constructed by FTI, does not contemplate such an event.
- **Loss on Refinancing.** This expense represents an event driven scenario that would produce a non-cash expense. The user of the financial model may manually change this amount given such an event is known; however, the model, as constructed by FTI, does not contemplate such an event.
- **Gain on Revaluation of Equity Method Investment.** This expense represents an event driven scenario that would produce a non-cash expense. The user of the financial model may manually change this amount given such an event is known; however, the model, as constructed by FTI, does not contemplate such an event.
- **Discontinued Operations.** This expense represents an event driven scenario that attempts to present financial statements net of the impact from discontinued segments of operations. The user of the financial model may manually change this amount given such an event is known or expected; however, the model, as constructed by FTI, does not contemplate such an event.
- **Income Attributable to Non-Controlling Interest.** MSHA owns a majority interest in three hospital facilities. The total amounts of revenues, expenses, gains, losses and net income attributed to these facilities is included in the “Income Statement” in the appropriate line item classification. The amount of income attributable to the non-controlling interest (minority interest) is reported as “Income attributable to non-controlling interest” in the “Other non-operating section” of the “Income Statement”.

“Baseline Model”– Balance Sheet. In the points enumerated below, FTI delineates the key drivers and/or assumptions used in the Baseline Financial Model for a combined New Health System Balance Sheet. These assumptions apply general health care industry assumptions to the Parties’ combined historical performance and do not include any known or anticipated changes in operations for the individual hospitals that would be deemed to be proprietary or confidential.

- **Cash & Cash Equivalents.** The balance for this asset account is a function of operations, changes in various balance sheet, etc. The “cash & cash equivalents” is calculated on the “Baseline Cash Flow Statement”.
- **Current Portion of Investments.** This asset account is subject to the duration and timing of when long-term investments reach the end of their stated investment period. Although this may vary significantly from period to period based on the New Health System’s investment strategy, FTI incorporated a model assumption that the current portion of investments remains flat each year over the 5-year forecasted period.
- **Patients Accounts Receivable, Net.** This asset account is a function of NPSR from the income statement and a model assumption that estimates average payor payment terms as days sales outstanding (“DSO”). The balance is the product of the average daily NPSR for the current period and the DSO assumption. The model assumption for the DSO is 55.0 each year over the 5-year forecasted period.
- **Other Receivables, Net.** The model applies an independent percentage change assumption to the prior period amount to calculate the current period amount. The model assumption for the percentage change is an annual increase of 5.0%.
- **Inventories & Prepaid Expenses.** This asset account is a function of “medical supplies & drugs” from the income statement and a model assumption that estimates average inventory & prepaid carrying amount called days inventory outstanding (“DIO”). The balance is the product of the average daily “medical supplies & drugs” expense for the current period and the DIO assumption. The model assumption for the DIO is 65.0 each year over the 5-year forecasted period.
- **Long-Term Investments.** This asset account is dependent on the assumptions related to “Investment Income” on the income statement. The model assumption related to this account is that all “Investment Income” is reinvested. Thus, the current period balance in the model is the summation of the prior period account balance and the current period “Investment Income”. The model assumption for the interest income is an annual increase of 2.0%.
- **Property, Plant, & Equipment, Net.** This asset account is dependent on depreciation & amortization, asset disposals, and capital expenditures. The primary assumptions that impact these expenses are capital expenditures and the useful life of property, plant, and equipment (“PP&E”). The asset account is calculated on a separate schedule FTI prepared that includes our assumptions related to capital expenditures, asset disposals, and depreciation of assets.
- **Goodwill.** Changes in this account balance primarily relate to events such as acquisitions or impairment of prior acquisitions. The balance of this account may be changed manually, but the model, as constructed by FTI, assumes there are no changes in the goodwill balance.

- **Net Deferred Financing, Acquisition Costs & Other Charges.** The model applies an independent percentage change assumption to the prior period amount to calculate the current period amount. The model assumption for the percentage change is an annual decrease of 5.0%.
- **Other Assets.** The model applies an independent percentage change assumption to the prior period amount to calculate the current period amount. The model assumption for the percentage change is an annual increase of 3.0%.
- **Current Portion of Debt & Liabilities.** The model is built to be able to apply an independent percentage change assumption to the prior period amount to calculate the current period amount, if applicable. The model as built by FTI, however, assumes the current portion of debt and liabilities remains flat each year over the 5-year forecasted period.
- **Accounts Payable & Accrued Expenses.** This liability account is a function of certain operating expenses from the income statement and a model assumption that estimates average payment terms as days payables outstanding (“DPO”). The balance is the product of the average daily operating expense for the current period and the DPO assumption. The model assumption for the DPO is 60.0 each year over the 5-year forecasted period.
- **Estimated Third-Party Payor Settlements.** The model applies an independent percentage change assumption to the prior period amount to calculate the current period amount. The model assumption for the percentage change is an annual increase of 2.0%.
- **Long-Term Debt & Liabilities.** The liability account is a function of the principal portion of debt service payments and any new financing or additional principal payments. The balance for this liability is calculated on the “Debt Schedule”, which is discussed later in this section.
- **Retention Bonus Liability.** Since this is an event driven liability and would not likely occur unless an actual merger went into effect, FTI has not included any balance in this liability account for the “Baseline Balance Sheet” in the Baseline model. However, the “Preliminary Efficiencies” balance sheet does include a \$5 million dollar liability for retention bonus liability at 6/30/17 related to the “Uses Expenses”. The liability and remaining portion of the “Uses Expenses” is expected to be paid before 6/30/18.
- **Other Long-Term Liabilities.** The model applies an independent percentage change assumption to the prior period amount to calculate the current period amount. The model assumption for the percentage change is an annual increase of 2.0%.
- **Unrestricted (Net Assets).** This balance is a function of the prior period balance and the “Revenues & Gains in Excess of Expenses & Losses Attributable to the New Health System” on the income statement.

- **Temporarily Restricted (Net Assets).** Since this is an event driven allocation, FTI held this balance flat for each forecasted period and allocated the change in net assets from operations to the “Unrestricted” and the “Non-Controlling Interests” accounts.
- **Permanently Restricted (Net Assets).** Since this is an event driven allocation, FTI held this balance flat for each forecasted period and allocated the change in net assets from operations to the “Unrestricted” and the “Non-Controlling Interests” accounts.
- **Non-Controlling Interests (Net Assets).** MSHA owns a majority interest in three hospital facilities. The non-controlling interest (minority interest) is the portion of equity (net assets) not attributable directly to the majority owner. The non-controlling interest is shown as “Non-controlling interest” in the net assets section of the “Balance Sheet”.

“Preliminary Efficiencies Financial Model”– Functionality & Assumptions. The “Preliminary Efficiencies Financial Model” tabs include the assumptions and results from the “Baseline Income Statement & Balance Sheet” tabs and layers in the anticipated savings from: (1) Non-Labor Efficiencies; (2) Labor Efficiencies; and (3) Clinical Efficiencies. The estimated savings assumptions were presented to and discussed with Management from both Parties and with the Integration Council as well as the “Joint Board Task Force”. Additionally, the “Preliminary Efficiencies Financial Model” includes an additional line item for “Uses expenses related to COPA, excluding D&A expenses” (“Uses Expense”) which includes the estimated expenses related to combination of the hospital systems, COPA compliance costs, and costs associated with providing additional benefits and services to the community. The Uses Expenses were provided by the Integration Council. In FTI’s financial model, the “Preliminary Efficiencies Financial Model” tabs reflect the same assumptions and results as the “Baseline Income Statement & Balance Sheet” tabs previously described, unless modifications to certain assumptions are made by the user, such as the examples provided below.

- **PP&E and Capital Expenditures Schedule.** The “depreciation and amortization expense” and “capital expenditures” may differ from the “Baseline Financial Model” if the user modifies the assumptions within the “PP&E and CapEx schedules” on the “Preliminary Efficiencies” tabs to reflect different decisions or scenarios than those included in the “Baseline Financial Model”. Changes made directly to this schedule within the “Preliminary Efficiencies” model flow directly into the “Preliminary Efficiencies” financial statements, but not into the Baseline financial statements and vice versa, as the “Baseline” and “Preliminary Efficiencies” financial statements operate independently of one another.
- **Debt Schedule.** As is the case with the PP&E and Capital Expenditures Schedules, as described above, the interest expense for this schedule may differ from the “Baseline Income Statement” if certain assumptions within “Preliminary Efficiencies” tabs are modified, since the assumptions within the “Preliminary Efficiencies” financial statements are built and operate independently of the “Baseline” financial statements.

“Baseline” Financial Model Income Statement

Income Statement - NewCo Baseline								
\$'000s	Actuals			Forecasted				
	FYE 6/13	FYE 6/14	FYE 6/15	FYE 6/16	FYE 6/17	FYE 6/18	FYE 6/19	FYE 6/20
Net patient service revenue ("NPSR")	\$ 1,670,727	\$ 1,671,050	\$ 1,813,472	\$ 1,812,747	\$ 1,886,737	\$ 1,924,471	\$ 1,962,961	\$ 2,002,220
Other revenues:								
Other revenues	120,585	102,581	90,756	90,756	90,756	90,756	90,756	90,756
Total other revenues	120,585	102,581	90,756	90,756	90,756	90,756	90,756	90,756
Total revenue, gains, & support	1,791,312	1,773,631	1,904,228	1,903,502	1,977,492	2,015,227	2,053,716	2,092,976
Expenses:								
Salaries, wages, & benefits	881,530	865,989	925,061	936,615	948,313	960,157	972,150	984,292
Medical supplies & drugs	325,559	330,375	344,718	346,269	362,169	371,224	380,504	390,017
Purchased services	183,607	189,280	196,037	201,918	207,975	214,215	220,641	227,260
Interest & taxes	63,495	62,742	61,453	60,964	59,338	57,756	56,216	54,717
Depreciation & amortization	130,666	121,237	127,336	126,507	126,364	126,828	127,872	129,471
Maintenance & utilities	53,687	54,030	56,561	58,258	60,006	61,806	63,660	65,570
Lease & rental	17,892	15,506	15,435	15,821	16,216	16,622	17,037	17,463
Other	107,995	122,584	143,924	149,681	155,668	161,895	168,371	175,105
Total expenses & losses	1,764,431	1,761,743	1,870,524	1,896,033	1,936,050	1,970,502	2,006,451	2,043,895
Income from operations	26,881	11,888	33,704	7,470	41,442	44,724	47,266	49,080
Non-operating gains:								
Investment income	60,296	65,452	4,883	23,099	23,561	24,032	24,512	25,003
Derivative valuation adjustments	9,474	4,526	19,093	-	-	-	-	-
Loss on refinancing	-	(5,755)	(1,389)	-	-	-	-	-
Gain on revaluation of equity method investment	-	14,744	-	-	-	-	-	-
Non-operating gains, net	69,770	78,967	22,587	23,099	23,561	24,032	24,512	25,003
Revenues & gains in excess of expenses & losses	96,651	90,855	56,291	30,568	65,002	68,756	71,778	74,083
Other non-operating items:								
Discontinued operations	(4,484)	(26,639)	(2,720)	-	-	-	-	-
Income attributable to non-controlling interest	(7,728)	(9,826)	(15,046)	(14,459)	(14,975)	(15,031)	(15,077)	(15,111)
Total other non-operating operations	(12,212)	(36,465)	(17,765)	(14,459)	(14,975)	(15,031)	(15,077)	(15,111)
Revenues & gains in excess of expenses & losses attributable to NewCo	\$ 84,439	\$ 54,390	\$ 38,526	\$ 16,110	\$ 50,027	\$ 53,725	\$ 56,701	\$ 58,972

“Baseline” Financial Model Balance Sheet

Balance Sheet - NewCo Baseline								
\$'000s	Actuals			Forecasted				
	6/30/13	6/30/14	6/30/15	6/30/16	6/30/17	6/30/18	6/30/19	6/30/20
Current assets:								
Cash & cash equivalents	\$ 130,860	\$ 89,859	\$ 128,580	\$ 98,369	\$ 87,482	\$ 80,297	\$ 70,623	\$ 57,914
Current portion of investments	25,447	28,262	22,904	22,904	22,904	22,904	22,904	22,904
Patient accounts receivable, net	271,216	278,583	274,678	273,154	284,303	289,989	295,789	301,704
Other receivables, net	51,463	60,187	41,588	43,667	45,851	48,143	50,551	53,078
Inventories & prepaid expenses	58,383	59,859	63,930	61,664	64,496	66,108	67,761	69,455
Total current assets	537,370	516,750	531,680	499,758	505,035	507,442	507,628	505,056
Other non-current assets:								
Long-term investments	1,037,563	1,124,957	1,154,927	1,178,026	1,201,586	1,225,618	1,250,131	1,275,133
Property, plant, & equipment, net	1,359,023	1,374,010	1,331,657	1,330,150	1,335,035	1,346,020	1,362,851	1,385,318
Goodwill	169,487	208,262	208,179	208,179	208,179	208,179	208,179	208,179
Net deferred financing, acquisition costs & other charges	33,658	30,067	28,972	27,523	26,147	24,840	23,598	22,418
Other assets	47,091	48,870	53,567	55,174	56,830	58,534	60,290	62,099
Total other non-current assets	2,646,822	2,786,166	2,777,303	2,799,052	2,827,778	2,863,191	2,905,049	2,953,148
Total assets	3,184,192	3,302,916	3,308,983	3,298,811	3,332,813	3,370,633	3,412,676	3,458,204
Current liabilities:								
Current portion of debt & liabilities	75,323	73,791	84,731	84,731	84,731	84,731	84,731	84,731
Accounts payable & accrued expenses	242,267	261,554	270,782	268,682	275,199	280,683	286,301	292,056
Estimated third-party payor settlements	33,932	18,888	18,471	18,841	19,217	19,602	19,994	20,394
Total current liabilities	351,523	354,233	373,985	372,254	379,148	385,017	391,027	397,181
Non-current liabilities:								
Long-term debt & liabilities	1,566,294	1,565,512	1,524,098	1,483,455	1,443,897	1,405,393	1,367,915	1,331,438
Retention bonus liability	-	-	-	-	-	-	-	-
Other long-term liabilities	78,447	99,400	81,633	83,265	84,931	86,629	88,362	90,129
Total non-current liabilities	1,644,740	1,664,912	1,605,731	1,566,721	1,528,827	1,492,022	1,456,277	1,421,567
Total liabilities	1,996,263	2,019,145	1,979,715	1,938,975	1,907,975	1,877,038	1,847,304	1,818,748
Net assets:								
Unrestricted	994,348	1,080,586	1,112,232	1,128,342	1,178,369	1,232,094	1,288,796	1,347,767
Temporarily restricted	19,703	20,418	20,508	20,508	20,508	20,508	20,508	20,508
Permanently restricted	1,438	1,446	1,450	1,450	1,450	1,450	1,450	1,450
Noncontrolling interests	172,439	181,321	195,078	209,536	224,511	239,542	254,619	269,730
Total net assets	1,187,929	1,283,771	1,329,268	1,359,836	1,424,838	1,493,594	1,565,372	1,639,456
Total liabilities and net assets	\$ 3,184,192	\$ 3,302,916	\$ 3,308,983	\$ 3,298,811	\$ 3,332,813	\$ 3,370,633	\$ 3,412,676	\$ 3,458,204

“Baseline” Financial Model Statement of Cash Flows

Statement of Cash Flows - NewCo Baseline	Forecasted				
	6/30/16	6/30/17	6/30/18	6/30/19	6/30/20
\$'000s					
Cash flows from operating activities:					
Income from operations	\$ 7,470	\$ 41,442	\$ 44,724	\$ 47,266	\$ 49,080
Adjustments to reconcile change in net assets to net cash provided by operating activities:					
Depreciation and amortization	126,507	126,364	126,828	127,872	129,471
Loss on extinguishment of debt	-	-	-	-	-
Change in estimated fair value of derivatives	-	-	-	-	-
Equity in net income of JVs, net	-	-	-	-	-
Loss/(Gain) on disposal of assets	-	-	-	-	-
Capital Appreciation Bond accretion and other	-	-	-	-	-
Restricted contributions	-	-	-	-	-
Pension and other defined benefit plan adjustments	-	-	-	-	-
Increase/(Decrease) in cash due to change in:					
Patient accounts receivable, net	1,524	(11,149)	(5,686)	(5,800)	(5,916)
Other receivables, net	(2,079)	(2,183)	(2,293)	(2,407)	(2,528)
Inventories & prepaid expenses	2,266	(2,832)	(1,612)	(1,653)	(1,694)
Net deferred financing, acquisition costs & other charges	1,449	1,376	1,307	1,242	1,180
Other assets	(1,607)	(1,655)	(1,705)	(1,756)	(1,809)
Current portion of debt & liabilities	-	-	-	-	-
Accounts payable & accrued expenses	(2,100)	6,517	5,485	5,618	5,755
Estimated third-party payor settlements	369	377	384	392	400
Other long-term liabilities	1,633	1,665	1,699	1,733	1,767
Total adjustments	127,962	118,480	124,407	125,241	126,627
Net cash provided by operating activities	135,432	159,922	169,132	172,506	175,707
Cash flows from investing activities:					
Purchases of property, plant, and equipment	(125,000)	(131,250)	(137,813)	(144,703)	(151,938)
Acquisitions, net of cash acquired	-	-	-	-	-
Non-operating gains, net	23,099	23,561	24,032	24,512	25,003
Purchases of held-to-maturity securities	(23,099)	(23,561)	(24,032)	(24,512)	(25,003)
Net distribution from JVs and unconsolidated affiliates	-	-	-	-	-
Proceeds from sale of plant, property, and equipment	-	-	-	-	-
Net cash used in investing activities	(125,000)	(131,250)	(137,813)	(144,703)	(151,938)
Cash flows from financing activities:					
Payments on LT debt and liabilities (net of interest)	(40,643)	(39,559)	(38,504)	(37,477)	(36,478)
Payment of acquisition and financing costs	-	-	-	-	-
Proceeds from issuance of LT debt & other financings	-	-	-	-	-
Net amounts received on interest rate swaps	-	-	-	-	-
Restricted contributions received	-	-	-	-	-
Net cash used by financing activities	(40,643)	(39,559)	(38,504)	(37,477)	(36,478)
Net increase/(decrease) in cash and cash equivalents	(30,211)	(10,887)	(7,185)	(9,674)	(12,709)
Cash and cash equivalents at beginning of year	128,580	98,369	87,482	80,297	70,623
Cash and cash equivalents at end of year	\$ 98,369	\$ 87,482	\$ 80,297	\$ 70,623	\$ 57,914

New Health System "Preliminary Efficiencies" Financial Model Income Statement

Income Statement - NewCo with Preliminary Efficiency Estimates								
\$'000s	Actuals			Forecasted				
	FYE 6/13	FYE 6/14	FYE 6/15	FYE 6/16	FYE 6/17	FYE 6/18	FYE 6/19	FYE 6/20
Net patient service revenue ("NPSR")	\$ 1,670,727	\$ 1,671,050	\$ 1,813,472	\$ 1,812,747	\$ 1,886,737	\$ 1,924,471	\$ 1,962,961	\$ 2,002,220
Other revenues:								
Other revenues	120,585	102,581	90,756	90,756	90,756	90,756	90,756	90,756
Total other revenues	120,585	102,581	90,756	90,756	90,756	90,756	90,756	90,756
Total revenue, gains, & support	1,791,312	1,773,631	1,904,228	1,903,502	1,977,492	2,015,227	2,053,716	2,092,976
Expenses:								
Salaries, wages, & benefits	881,530	865,989	925,061	936,615	943,313	946,284	933,869	944,905
Medical supplies & drugs	325,559	330,375	344,718	324,637	337,871	340,077	341,319	344,036
Purchased services	183,607	189,280	196,037	196,267	201,785	205,843	209,137	213,911
Interest & taxes	63,495	62,742	61,453	60,964	59,338	57,756	56,216	54,717
Depreciation & amortization	130,666	121,237	127,336	126,507	130,650	142,843	157,111	165,204
Maintenance & utilities	53,687	54,030	56,561	57,256	58,898	60,211	61,277	62,824
Lease & rental	17,892	15,506	15,435	15,821	16,216	16,551	16,795	17,200
Other	107,995	122,584	143,924	136,822	141,334	143,709	146,050	148,728
Total expenses & losses	1,764,431	1,761,743	1,870,524	1,854,888	1,889,406	1,913,272	1,921,774	1,951,524
Income from operations	26,881	11,888	33,704	48,614	88,086	101,955	131,943	141,451
Non-operating gains:								
Investment income	60,296	65,452	4,883	23,099	23,561	24,032	24,512	25,003
Derivative valuation adjustments	9,474	4,526	19,093	-	-	-	-	-
Loss on refinancing	-	(5,755)	(1,389)	-	-	-	-	-
Gain on revaluation of equity method investment	-	14,744	-	-	-	-	-	-
Non-operating gains, net	69,770	78,967	22,587	23,099	23,561	24,032	24,512	25,003
Revenues & gains in excess of expenses & losses	96,651	90,855	56,291	71,713	111,647	125,986	156,455	166,454
Other non-operating items:								
Discontinued operations	(4,484)	(26,639)	(2,720)	-	-	-	-	-
Income attributable to non-controlling interest	(7,728)	(9,826)	(15,046)	(14,459)	(14,975)	(15,031)	(15,077)	(15,111)
Total other non-operating operations	(12,212)	(36,465)	(17,765)	(14,459)	(14,975)	(15,031)	(15,077)	(15,111)
Revenues & gains in excess of expenses & losses attributable to NewCo.	\$ 84,439	\$ 54,390	\$ 38,526	\$ 57,254	\$ 96,672	\$ 110,955	\$ 141,378	\$ 151,343
Uses expense related to COPA, excluding D&A expense	-	-	-	-	(10,750)	(27,250)	(43,500)	(49,000)
Net income, including COPA uses attributable to NewCo.	\$ 84,439	\$ 54,390	\$ 38,526	\$ 57,254	\$ 85,922	\$ 83,705	\$ 97,878	\$ 102,343

New Health System "Preliminary Efficiencies" Financial Model Balance Sheet

Balance Sheet - NewCo with Preliminary Efficiency Estimates								
\$'000s	Actuals			Forecasted				
	6/30/13	6/30/14	6/30/15	6/30/16	6/30/17	6/30/18	6/30/19	6/30/20
Current assets:								
Cash & cash equivalents	\$ 130,860	\$ 89,859	\$ 128,580	\$ 128,907	\$ 118,700	\$ 73,698	\$ 60,795	\$ 88,289
Current portion of investments	25,447	28,262	22,904	22,904	22,904	22,904	22,904	22,904
Patient accounts receivable, net	271,216	278,583	274,678	273,154	284,303	289,989	295,789	301,704
Other receivables, net	51,463	60,187	41,588	43,667	45,851	48,143	50,551	53,078
Inventories & prepaid expenses	58,383	59,859	63,930	57,812	60,169	60,562	60,783	61,267
Total current assets	537,370	516,750	531,680	526,444	531,926	495,296	490,821	527,242
Other non-current assets:								
Long-term investments	1,037,563	1,124,957	1,154,927	1,178,026	1,201,586	1,225,618	1,250,131	1,275,133
Property, plant, & equipment, net	1,359,023	1,374,010	1,331,657	1,330,150	1,360,750	1,420,720	1,468,311	1,480,046
Goodwill	169,487	208,262	208,179	208,179	208,179	208,179	208,179	208,179
Net deferred financing, acquisition costs & other charges	33,658	30,067	28,972	27,523	26,147	24,840	23,598	22,418
Other assets	47,091	48,870	53,567	55,174	56,830	58,534	60,290	62,099
Total other non-current assets	2,646,822	2,786,166	2,777,303	2,799,052	2,853,492	2,937,891	3,010,509	3,047,875
Total assets	3,184,192	3,302,916	3,308,983	3,325,497	3,385,418	3,433,187	3,501,330	3,575,117
Current liabilities:								
Current portion of debt & liabilities	75,323	73,791	84,731	84,731	84,731	84,731	84,731	84,731
Accounts payable & accrued expenses	242,267	261,554	270,782	268,682	275,199	280,683	286,301	292,056
Estimated third-party payor settlements	33,932	18,888	18,471	18,841	19,217	19,602	19,994	20,394
Total current liabilities	351,523	354,233	373,985	372,254	379,148	385,017	391,027	397,181
Non-current liabilities:								
Long-term debt & liabilities	1,566,294	1,565,512	1,524,098	1,483,455	1,443,897	1,405,393	1,367,915	1,331,438
Retention bonus liability	-	-	-	-	5,000	-	-	-
Other long-term liabilities	78,447	99,400	81,633	83,265	84,931	86,629	88,362	90,129
Total non-current liabilities	1,644,740	1,664,912	1,605,731	1,566,721	1,533,827	1,492,022	1,456,277	1,421,567
Total liabilities	1,996,263	2,019,145	1,979,715	1,938,975	1,912,975	1,877,038	1,847,304	1,818,748
Net assets:								
Unrestricted	994,348	1,080,586	1,112,232	1,155,028	1,225,975	1,294,648	1,377,450	1,464,681
Temporarily restricted	19,703	20,418	20,508	20,508	20,508	20,508	20,508	20,508
Permanently restricted	1,438	1,446	1,450	1,450	1,450	1,450	1,450	1,450
Noncontrolling interests	172,439	181,321	195,078	209,536	224,511	239,542	254,619	269,730
Total net assets	1,187,929	1,283,771	1,329,268	1,386,522	1,472,443	1,556,148	1,654,027	1,756,369
Total liabilities and net assets	\$ 3,184,192	\$ 3,302,916	\$ 3,308,983	\$ 3,325,497	\$ 3,385,418	\$ 3,433,187	\$ 3,501,330	\$ 3,575,117

New Health System “Preliminary Efficiencies” Financial Model Statement of Cash Flows

Statement of Cash Flows with Preliminary Efficiencies Estimate		Forecasted				
\$'000s	6/30/16	6/30/17	6/30/18	6/30/19	6/30/20	
Cash flows from operating activities:						
Income from operations	\$ 48,614	\$ 88,086	\$ 101,955	\$ 131,943	\$ 141,451	
Uses expense related to COPA, excluding D&A expense	-	(10,750)	(27,250)	(43,500)	(49,000)	
	48,614	77,336	74,705	88,443	92,451	
Adjustments to reconcile change in net assets to net cash provided by operating activities:						
Depreciation and amortization	126,507	130,650	142,843	157,111	165,204	
Loss on extinguishment of debt	-	-	-	-	-	
Change in estimated fair value of derivatives	-	-	-	-	-	
Equity in net income of JVs, net	-	-	-	-	-	
Loss/(Gain) on disposal of assets	-	-	-	-	-	
Capital Appreciation Bond accretion and other	-	-	-	-	-	
Restricted contributions	-	-	-	-	-	
Pension and other defined benefit plan adjustments	-	-	-	-	-	
Increase/(Decrease) in cash due to change in:						
Patient accounts receivable, net	1,524	(11,149)	(5,686)	(5,800)	(5,916)	
Other receivables, net	(2,079)	(2,183)	(2,293)	(2,407)	(2,528)	
Inventories & prepaid expenses	6,118	(2,357)	(393)	(221)	(484)	
Net deferred financing, acquisition costs & other charges	1,449	1,376	1,307	1,242	1,180	
Other assets	(1,607)	(1,655)	(1,705)	(1,756)	(1,809)	
Current portion of debt & liabilities	-	-	-	-	-	
Accounts payable & accrued expenses	(2,100)	6,517	5,485	5,618	5,755	
Estimated third-party payor settlements	369	377	384	392	400	
Retention bonus liability	-	5,000	(5,000)	-	-	
Other long-term liabilities	1,633	1,665	1,699	1,733	1,767	
Total adjustments	131,814	128,240	136,641	155,911	163,570	
Net cash provided by operating activities	180,428	205,577	211,346	244,354	256,022	
Cash flows from investing activities:						
Purchases of property, plant, and equipment	(125,000)	(161,250)	(202,813)	(204,703)	(176,938)	
Acquisitions, net of cash acquired	-	-	-	-	-	
Non-operating gains, net	23,099	23,561	24,032	24,512	25,003	
Purchases of held-to-maturity securities	(23,099)	(23,561)	(24,032)	(24,512)	(25,003)	
Net distribution from JVs and unconsolidated affiliates	-	-	-	-	-	
Proceeds from sale of plant, property, and equipment	-	-	-	-	-	
Net cash used in investing activities	(125,000)	(161,250)	(202,813)	(204,703)	(176,938)	
Cash flows from financing activities:						
Payments on LT debt and liabilities (net of interest)	(40,643)	(39,559)	(38,504)	(37,477)	(36,478)	
Payment of acquisition and financing costs	-	-	-	-	-	
Proceeds from issuance of LT debt & other financings	-	-	-	-	-	
Income attributable to non-controlling interest	(14,459)	(14,975)	(15,031)	(15,077)	(15,111)	
Net amounts received on interest rate swaps	-	-	-	-	-	
Restricted contributions received	-	-	-	-	-	
Net cash used by financing activities	(55,101)	(54,534)	(53,535)	(52,554)	(51,589)	
Net increase/(decrease) in cash and cash equivalents	327	(10,207)	(45,002)	(12,903)	27,494	
Cash and cash equivalents at beginning of year	128,580	128,907	118,700	73,698	60,795	
Cash and cash equivalents at end of year	\$ 128,907	\$ 118,700	\$ 73,698	\$ 60,795	\$ 88,289	