I-2.) Receipts and Disbursements -or- Revenues and Expenses during such Fiscal Year in accordance with the categories or classifications established by the Corporation for its own operating and capital outlay purposes

ERIE COUNTY MEDICAL CENTER CORPORATION

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

For the Year Ended December 31,
(000's omitted)

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenues:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net patient service revenue (net of provision for bad debts of $22,294 in 2010 and $21,100 in 2009)</td>
<td>$340,813</td>
<td>$335,540</td>
</tr>
<tr>
<td>Disproportionate share revenue</td>
<td>55,444</td>
<td>34,378</td>
</tr>
<tr>
<td>Other operating revenue</td>
<td>18,276</td>
<td>20,993</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td><strong>412,533</strong></td>
<td><strong>390,911</strong></td>
</tr>
</tbody>
</table>

| Operating expenses: |           |           |
| Payroll, employee benefits and contract labor | 233,110 | 242,077 |
| Professional fees | 41,231 | 38,353 |
| Purchased services | 32,929 | 33,228 |
| Supplies | 58,643 | 59,279 |
| Other operating expenses | 22,711 | 20,819 |
| Depreciation and amortization | 14,105 | 13,133 |
| **Total operating expenses** | **402,729** | **406,891** |

| Operating income (loss) | 9,804 | (15,980) |

| Non-operating revenues (expenses): |           |           |
| Investment income | 7,286 | 10,080 |
| Interest expense | (5,478) | (5,715) |
| Settlements with Erie County | (8,044) | - |
| Loss on disposal of capital assets | (650) | - |
| **Net non-operating (expense) revenues** | **(6,886)** | **4,365** |

Excess (deficiency) of revenues over expenses before contributions and transfers 2,918 (11,615)

| Capital contributions | 902 | 717 |
| Transfers to component unit | (10,390) | - |
| Change in net assets | (6,970) | (10,898) |

Net assets – beginning of year 106,585 117,483

Net assets – end of year $99,615 $106,385
I-3.) **Assets and Liabilities** for Fiscal Year End including the Status of Reserve, Depreciation, Special or Other Funds and including the Receipts and Payments of these Funds

**ERIE COUNTY MEDICAL CENTER CORPORATION**

**STATEMENTS OF NET ASSETS**
**December 31,**
**(000's omitted)**

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$15,845</td>
<td>$46,884</td>
</tr>
<tr>
<td>Investments</td>
<td>72,657</td>
<td>40,712</td>
</tr>
<tr>
<td>Assets whose use is limited</td>
<td>23,551</td>
<td>24,329</td>
</tr>
<tr>
<td>Patient accounts receivable, net</td>
<td>40,931</td>
<td>43,316</td>
</tr>
<tr>
<td>Other receivables</td>
<td>49,456</td>
<td>40,810</td>
</tr>
<tr>
<td>Supplies, prepaid and other</td>
<td>4,951</td>
<td>4,797</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>207,411</strong></td>
<td><strong>200,848</strong></td>
</tr>
<tr>
<td>Assets whose use is limited</td>
<td>96,921</td>
<td>95,249</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>95,731</td>
<td>78,007</td>
</tr>
<tr>
<td>Other assets, net</td>
<td>3,083</td>
<td>2,931</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$406,145</strong></td>
<td><strong>$377,035</strong></td>
</tr>
</tbody>
</table>

**LIABILITIES AND NET ASSETS**

<table>
<thead>
<tr>
<th>Current liabilities:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current portion of long-term debt</td>
<td>$2,250</td>
<td>$2,155</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>24,563</td>
<td>19,496</td>
</tr>
<tr>
<td>Accrued salaries, wages and employee benefits</td>
<td>15,714</td>
<td>16,739</td>
</tr>
<tr>
<td>Accrued other liabilities</td>
<td>13,599</td>
<td>11,488</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>18,598</td>
<td>18,083</td>
</tr>
<tr>
<td>Estimated third-party payor settlements</td>
<td>23,077</td>
<td>18,749</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td><strong>97,801</strong></td>
<td><strong>86,710</strong></td>
</tr>
<tr>
<td>Long-term debt, net</td>
<td>94,900</td>
<td>97,150</td>
</tr>
<tr>
<td>Self-insured obligations</td>
<td>113,829</td>
<td>86,390</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>306,530</strong></td>
<td><strong>270,450</strong></td>
</tr>
</tbody>
</table>

**Net assets:**
- Invested in capital assets, net of related debt | 14,855 | (2,569) |

**Restricted:**
- For debt service | 10,294 | 10,120 |
- Expandable for capital | 1,010 | 1,048 |
- Unrestricted | 73,456 | 98,186 |
**Total net assets** | 89,615 | 106,385 |

**Total liabilities and net assets** | **$406,145** | **$377,035** |