

ADDENDUM B

Financial Statements

January 2008

PALOMAR
POMERADO
HEALTH
SPECIALIZING IN YOU

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Financial Results

Executive Summary & Highlights

Statistics

	Dec	Jan	Dec vs Jan % Change	Jan Budget	Act vs Bud % Variance
CONSOLIDATED					
Patient Days Acute	9,397	9,876	5.1%	9,666	2.2%
Patient Days SNF	6,441	6,448	0.1%	6,546	-1.5%
ADC Acute	303.13	318.59	5.1%	311.82	2.2%
ADC SNF	207.77	208.00	0.1%	211.16	-1.5%
Surgeries CVS Cases	19	11	-42.1%	12	-8.3%
Surgeries Total	1,522	1,723	13.2%	1,692	1.8%
Number of Births	436	427	-2.1%	466	-8.4%
NORTH					
Patient Days Acute	7,049	7,351	4.3%	7,298	0.7%
Patient Days SNF	2,612	2,576	-1.4%	2,720	-5.3%
ADC Acute	227.37	237.14	4.3%	235.43	0.7%
ADC SNF	84.26	83.10	-1.4%	87.74	-5.3%
SOUTH					
Patient Days Acute	2,348	2,525	7.5%	2,368	6.6%
Patient Days SNF	3,829	3,872	1.1%	3,826	1.2%
ADC Acute	75.75	81.45	7.5%	73.38	11.0%
ADC SNF	123.52	124.90	1.1%	123.42	1.2%

Financial Results

Executive Summary & Highlights

Balance Sheet

Current Cash & Cash Equivalents increased \$3.8 million from \$75.9 million in December to \$79.7 million in January. This increase is primarily due to the reclassification of funds from Board Designated Non-Current Assets of \$2.9 million. Total Cash and Investments are \$95.8 million, compared to \$95.0 million at December 31, 2007. Days Cash on Hand went from 85 days in December to 86 days in January.

Net Accounts Receivable increased to \$92.7 million in January as compared to \$91.4 million in December. Gross A/R days decreased from 53.1 days in December to 49.3 days in January. January patient account collections including capitation are \$34.4 million compared to budget of \$33.1 million. January YTD collections are \$228.1 million compared to budget of \$231.7 million.

Construction in Progress increased \$3.7 million from \$169.5 million in December to \$173.2 million in January. The increase is attributed to Building Expansion A & E Services and construction costs \$6.8 million, Pomerado Phase I \$0.4 million and Pomerado Outpatient Pavilion tenant improvements \$1.9 million less tenant improvement allowance \$6.2 million.

Other Current Liabilities decreased \$1.2 million from \$19.7 million to \$18.5 million primarily due to the realization of deferred property tax revenue of \$1.1 million.

Financial Results

Executive Summary & Highlights

Income Statement

Gross Patient Revenue for YTD reflects a favorable budget variance of \$17.4 million. The \$17.4 million favorable variance is composed of \$15.1 million unfavorable volume variance and \$32.5 million favorable rate variance based on adjusted discharges.

Routine revenue (inpatient room and board) reflects an unfavorable \$4.8 million budget variance. Inpatient Ancillary revenue represents a \$9.4 million favorable budget variance. North reflects \$3.4 million favorable variance and South reflects \$6.0 million favorable variance.

Outpatient revenue reflects a favorable budget variance of \$12.8 million. North has a \$14.3 million favorable variance. This amount is decreased by South \$0.7 million unfavorable variance and Outreach \$0.8 million unfavorable variance.

Deductions from Revenue reflect a YTD unfavorable variance of \$17.8 million. Total Deductions from Revenue is 70.09% of gross revenue compared to a budget of 69.38%. Deductions from Revenue (excluding Bad Debt/Charity/Undocumented expenses) is 65.86% of YTD Gross Revenue compared to budget of 65.12%.

The net capitation reflects a YTD unfavorable budget variance of \$0.4 million. Cap Premium and Out of Network Claim Expense both show a favorable budget variance of \$2.2 million and \$2.9 million, respectively. A favorable variance of Cap Premium is due to retro 2006 premium adjustments in August. Cap Valuation shows an unfavorable variance of \$5.5 million due to using bill drop date instead of discharge date.

Financial Results

Executive Summary & Highlights

Income Statement (cont'd)

Other Operating Revenue reflects a YTD unfavorable budget variance of \$3.5 million. The most significant contributor to this variance is the Foundation where actual revenue is zero versus a budget of \$2.1 million. After the budget was prepared, a change in procedure was initiated to credit the Foundation's expenses instead of revenue for funding requests. Therefore, the offset to this revenue loss is a reduction to expenses. This variance will be ongoing throughout the year. PPNC Health Development has a YTD unfavorable variance of \$0.8 million. Also contributing to this variance is the Grant program for Home Health Outreach and Welcome Home Baby where the YTD variances are unfavorable by \$0.7 million and \$0.5 million respectively. All these negative variances are partially offset by the Spartanburg class action settlement of \$0.2 million, a VHA Rebate of \$0.1 million and the insurance settlement for the Graybill Auditorium water damage of \$0.2 million.

Salaries, Wages & Contract Labor has a YTD unfavorable budget variance of \$4.9 million. The breakdown is as follows:

	YTD Actual	YTD Budget	Variance
Consolidated	120,840,870	115,904,170	(4,936,700)
North	69,508,351	67,378,252	(2,130,099)
South	28,583,259	27,112,945	(1,470,314)
Central	17,305,087	15,891,671	(1,413,416)
Outreach	5,444,173	5,521,302	77,129

Income Statement (cont'd)

Benefits Expense has a YTD unfavorable budget variance of \$1.3 million. This variance is due to various categories. They are: FICA – unfavorable by \$1.0 million; Health and Dental – unfavorable by \$0.6 million; Workers Compensation – unfavorable by \$0.5 million. These are partially offset by a favorable variance in Other Benefits of \$0.8 million.

Supplies Expense reflects a YTD unfavorable budget variance of \$1.4 million. The unfavorable variance is composed of surgical general supplies at \$540 thousand, prosthesis supplies at \$505 thousand and other general supplies at \$949 thousand. The favorable variance is pharmacy at thousand \$611 thousand.

Prof Fees & Purchased Services reflect a YTD favorable budget variance of \$0.5 million. The favorable variance of \$1.7 million in professional fees is due to physician income guarantees not realized and consulting fees in Design/Facility and Welcome Home Baby. The unfavorable variance of \$1.2 million in purchase services is due to contracted purchased services.

Non-Operating Income reflects a YTD favorable variance of \$3.4 million. This is mainly due to a favorable investment income variance of \$2.7 million. Interest expense is also favorable by \$0.5 million.

Ratios & Margins

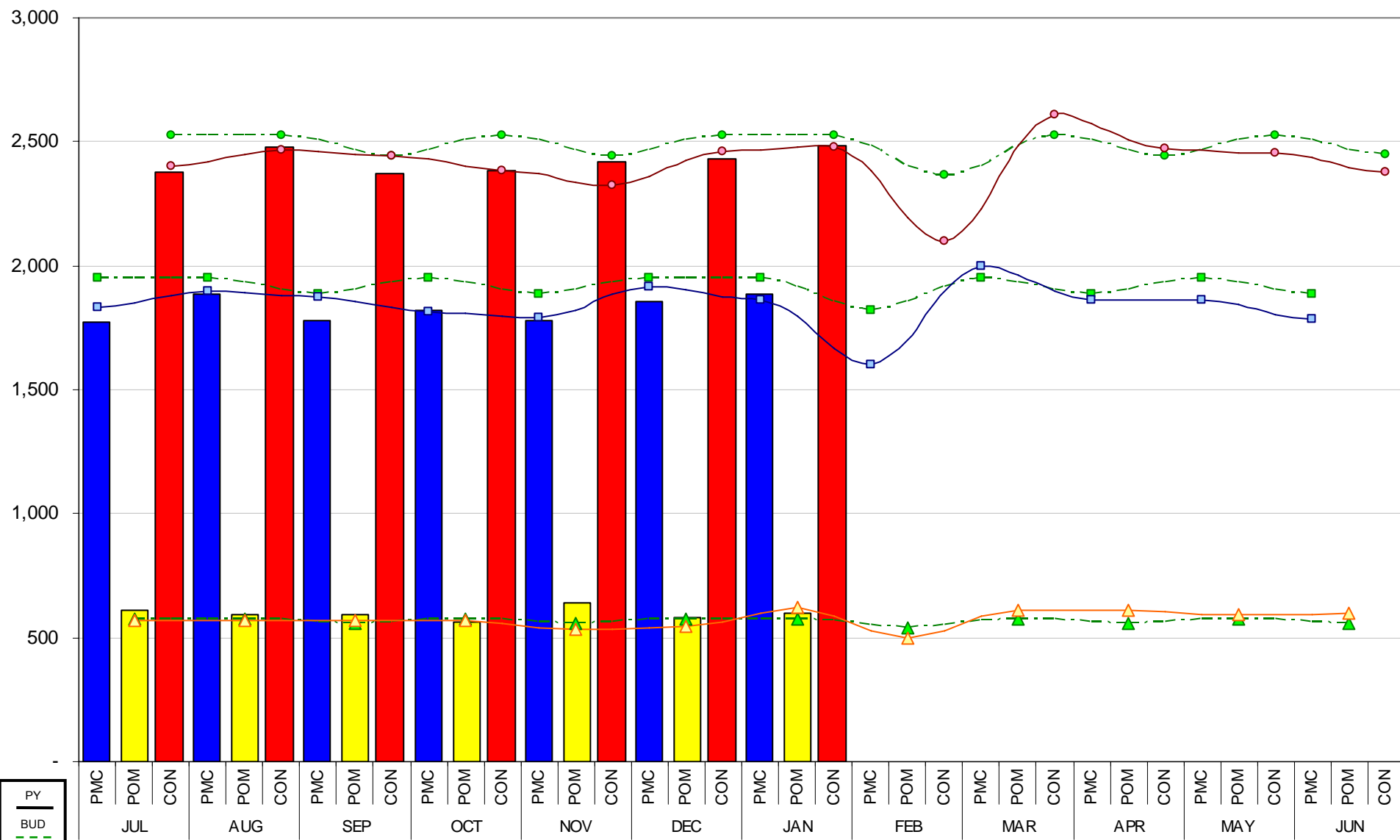
All required bond covenant ratios were achieved in January, 2008.

Balanced Scorecard
Financial Indicators

October		November		December		January		YTD 2008		YTD 2008		YTD 2008	
Actual	Actual	Actual	Actual	Budget / PY	Variance	% Actual to Budget		Actual	Budget	Variance	% Actual to Budget		Prior Year Actual
PPH Indicators:													
2.6%	7.7%	-0.8%	3.8%	9.9%	-6.1%	38.4%	OEBITDA Margin w/Prop Tax	6.1%	9.8%	-3.7%	62.2%	9.2%	
\$2,866.28	\$2,807.97	\$2,949.53	\$2,636.79	\$2,677.87	\$ 41.08	98.5%	Expenses/Wtd Day	2,736.98	\$2,683.33	\$ (53.65)	102.0%	2,486.80	
\$1,710.00	\$1,662.78	\$1,871.72	\$1,545.13	\$1,577.84	\$ 32.71	97.9%	SWB/Wtd Day	1,639.21	\$1,578.43	\$ (60.78)	103.9%	1,495.64	
6.49	6.41	6.94	5.98	6.62	0.64	90.3%	Prod FTE's/Adj Occupied Bed	6.45	6.62	0.17	97.4%	6.02	
12,775	12,969	13,000	13,967	14,443	(476)	96.7%	Weighted Patient Days	92,335	91,945	390	102.6%	89,980	
PPH North Indicators:													
8.1%	5.4%	-1.5%	5.5%	10.9%	-5.4%	50.5%	OEBITDA Margin w/Prop Tax	6.7%	10.8%	-4.1%	62.0%	9.4%	
\$2,670.95	\$2,739.31	\$2,824.19	\$2,459.79	\$2,530.81	\$ 71.02	97.2%	Expenses/Wtd Day	2,616.10	\$2,525.36	\$ (90.74)	103.6%	2,364.95	
\$1,345.84	\$1,353.05	\$1,557.64	\$1,254.22	\$1,314.33	\$ 60.11	95.4%	SWB/Wtd Day	1,348.08	\$1,307.81	\$ (40.27)	103.1%	1,247.38	
5.31	5.38	5.73	4.90	5.35	0.45	91.6%	Prod FTE's/Adj Occupied Bed	5.33	5.28	(0.05)	100.9%	5.09	
9,203	8,802	9,151	9,883	10,130	(247)	97.6%	Weighted Patient Days	64,191	64,239	(48)	103.0%	62,335	
PPH South Indicators:													
-14.8%	11.5%	2.0%	3.3%	5.5%	-2.2%	60.0%	OEBITDA Margin w/Prop Tax	4.0%	5.4%	-1.4%	74.1%	6.5%	
\$2,916.94	\$2,573.48	\$2,800.60	\$2,622.48	\$2,570.23	\$ (52.25)	102.0%	Expenses/Wtd Day	2,600.28	\$2,576.62	\$ (23.66)	100.9%	2,409.42	
\$1,411.65	\$1,305.00	\$1,534.66	\$1,314.90	\$1,303.06	\$ (11.84)	100.9%	SWB/Wtd Day	1,333.47	\$1,303.32	\$ (30.15)	102.3%	1,251.05	
6.40	5.90	6.65	5.96	6.04	0.08	98.7%	Prod FTE's/Adj Occupied Bed	6.13	6.06	(0.07)	101.2%	5.39	
3,334	3,928	3,698	3,875	4,004	(129)	96.8%	Weighted Patient Days	26,577	26,076	501	102.8%	25,853	

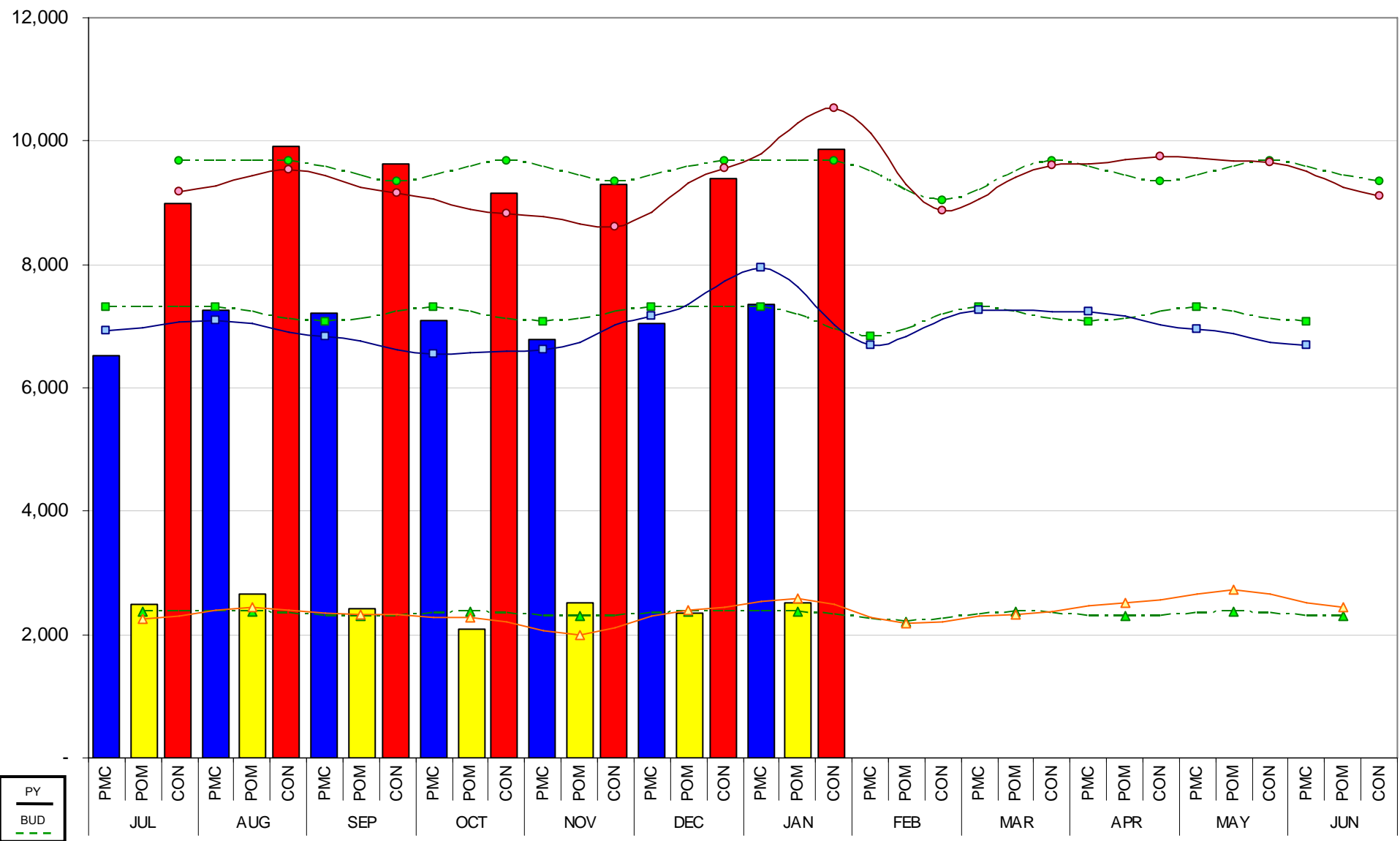
Weighted Patient Days is compared with Prior Year Actual

Statistical Indicators
Admissions – Acute

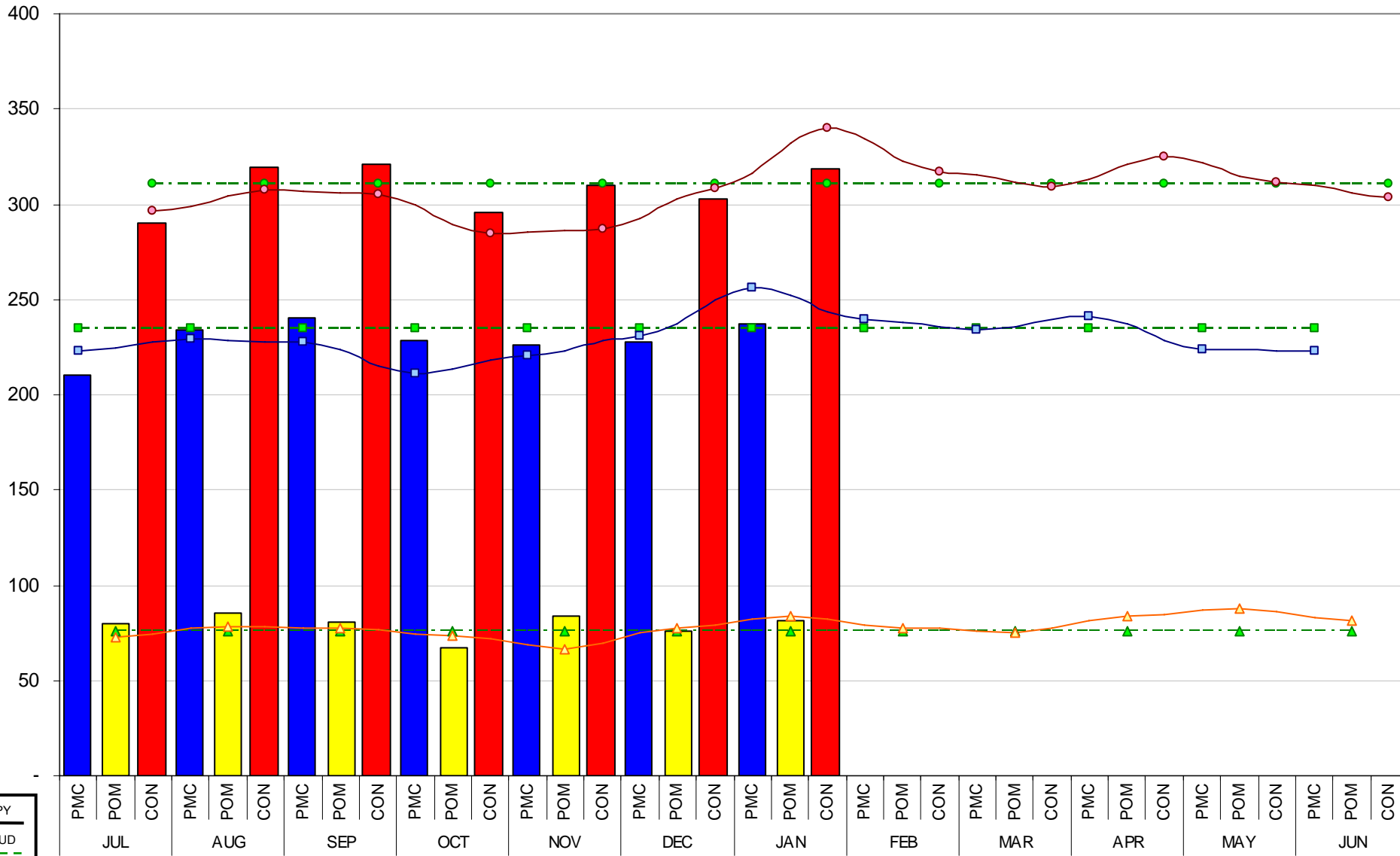


	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>B-YTD</u>
PMC	1,770	1,885	1,777	1,823	1,780	1,853	1,886	-	-	-	-	-	12,774	13,510
POM	608	595	592	563	640	579	600	-	-	-	-	-	4,177	4,010
CON	2,378	2,480	2,369	2,386	2,420	2,432	2,486	-	-	-	-	-	16,951	17,520

Statistical Indicators
Patient Days – Acute



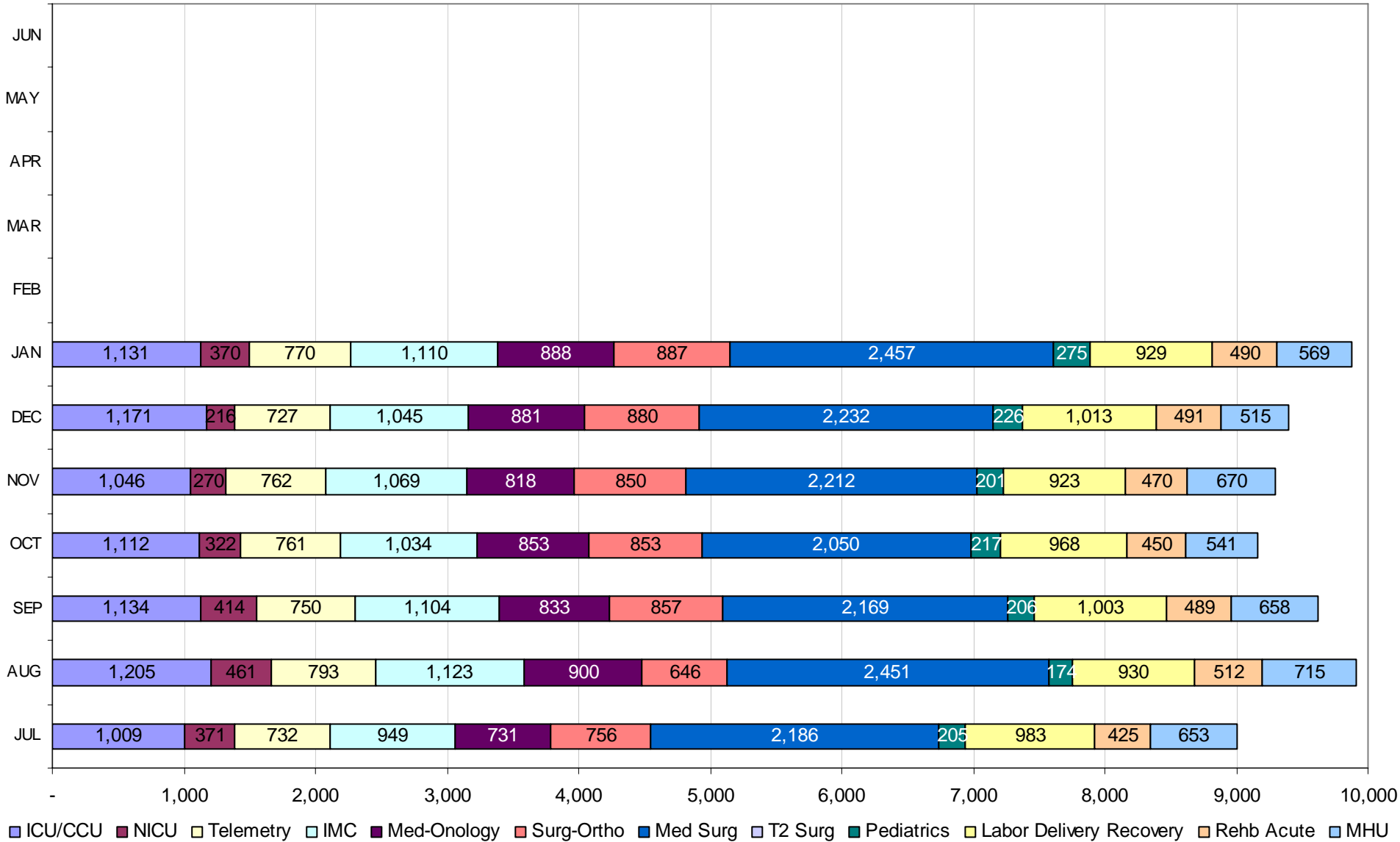
	JUL		AUG		SEP		OCT		NOV		DEC		JAN		FEB		MAR		APR		MAY		JUN		YTD	B-YTD
	PMC	POM	CON	PMC	POM	CON	PMC	POM	CON	PMC	POM	CON	PMC	POM	CON	PMC	POM	CON	PMC	POM	CON	PMC	POM	CON		
PMC	6,516	7,255	9,000	7,205	7,081	9,617	7,081	2,080	9,161	6,789	7,049	7,049	7,351	-	-	-	-	-	-	-	-	-	-	-	49,246	50,612
POM	2,484	2,655	2,484	2,412	2,080	2,412	2,080	2,502	2,080	2,502	2,348	2,348	2,525	-	-	-	-	-	-	-	-	-	-	-	17,006	16,422
CON	9,000	9,910	9,910	9,617	9,161	9,617	9,161	9,291	9,397	9,397	9,876	9,876	-	-	-	-	-	-	-	-	-	-	-	-	66,252	67,034



	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>B-YTD</u>
PMC	210	234	240	228	226	227	237	-	-	-	-	-	229	235
POM	80	86	80	67	83	76	81	-	-	-	-	-	79	76
CON	290	320	321	296	310	303	319	-	-	-	-	-	308	312

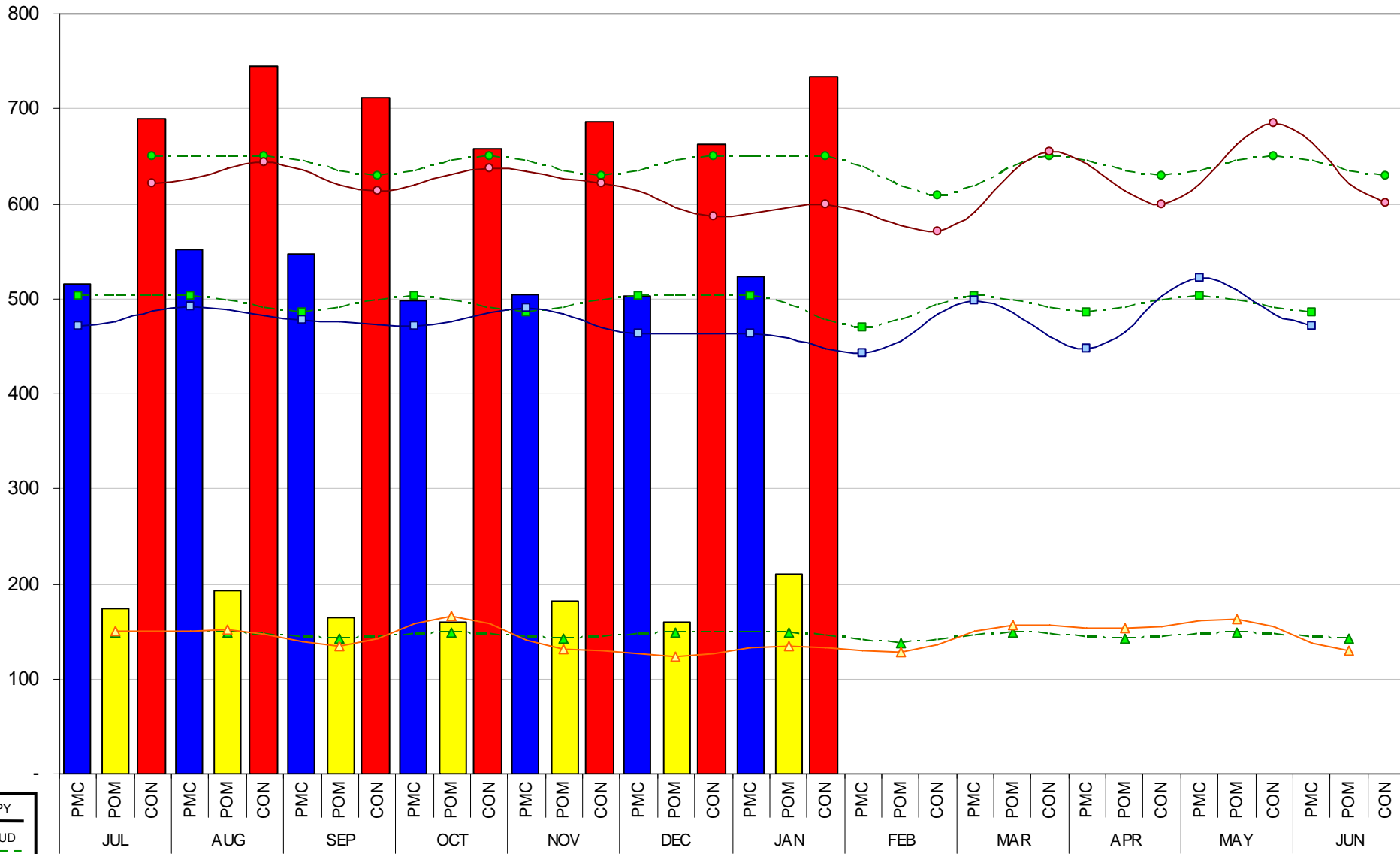
Statistical Indicators

Patient Days



	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD	B-YTD
PMC	6,516	7,255	7,205	7,081	6,789	7,049	7,351	-	-	-	-	-	49,246	50,612
POM	2,484	2,655	2,412	2,080	2,502	2,348	2,525	-	-	-	-	-	17,006	16,422
CON	9,000	9,910	9,617	9,161	9,291	9,397	9,876	-	-	-	-	-	66,252	67,034

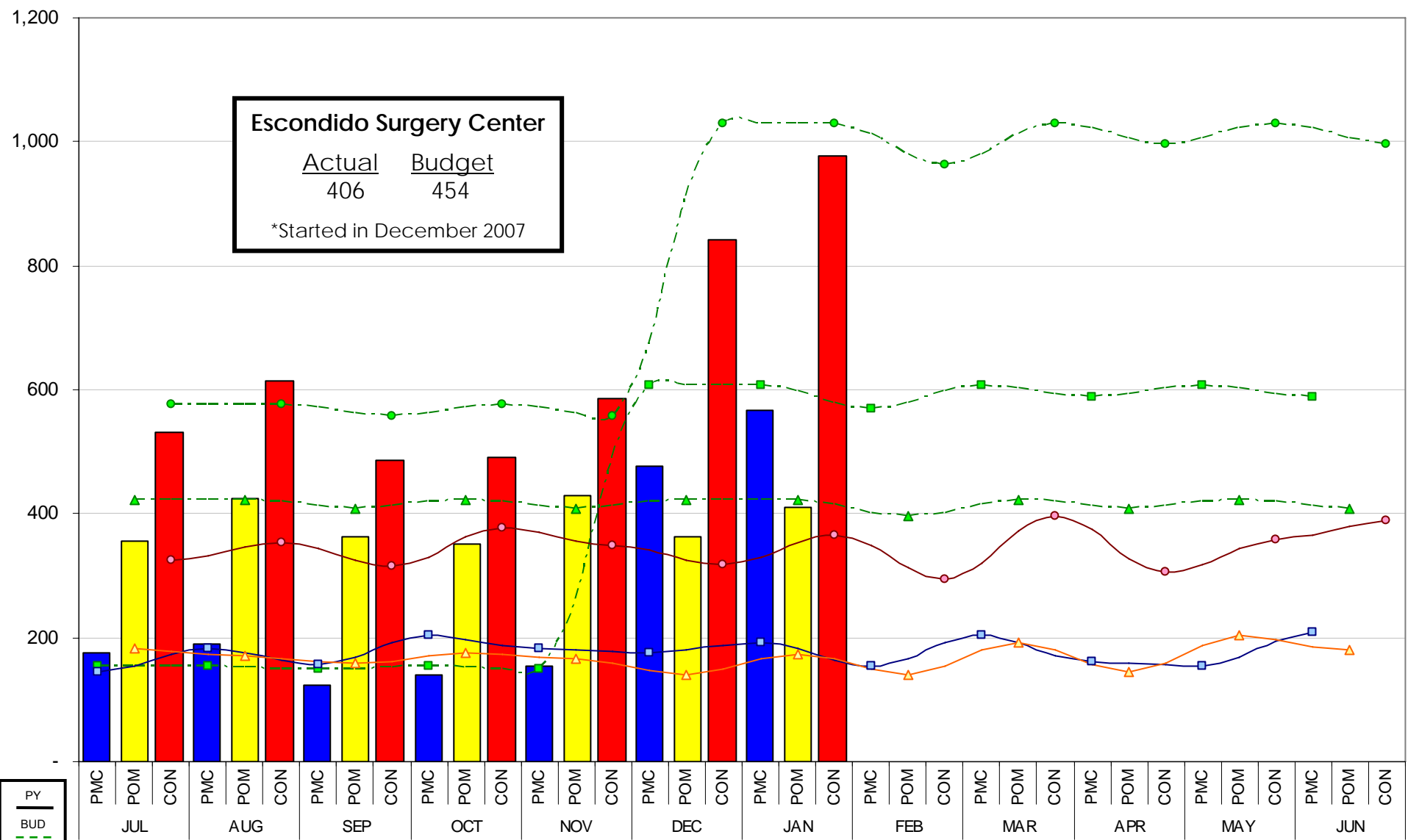
Statistical Indicators
Surgeries – Inpatient



	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>B-YTD</u>
PMC	516	552	547	498	504	502	524	-	-	-	-	-	3,643	3,482
POM	174	193	165	160	182	160	210	-	-	-	-	-	1,244	1,026
CON	690	745	712	658	686	662	734	-	-	-	-	-	4,887	4,508

Statistical Indicators
Surgeries – Outpatient

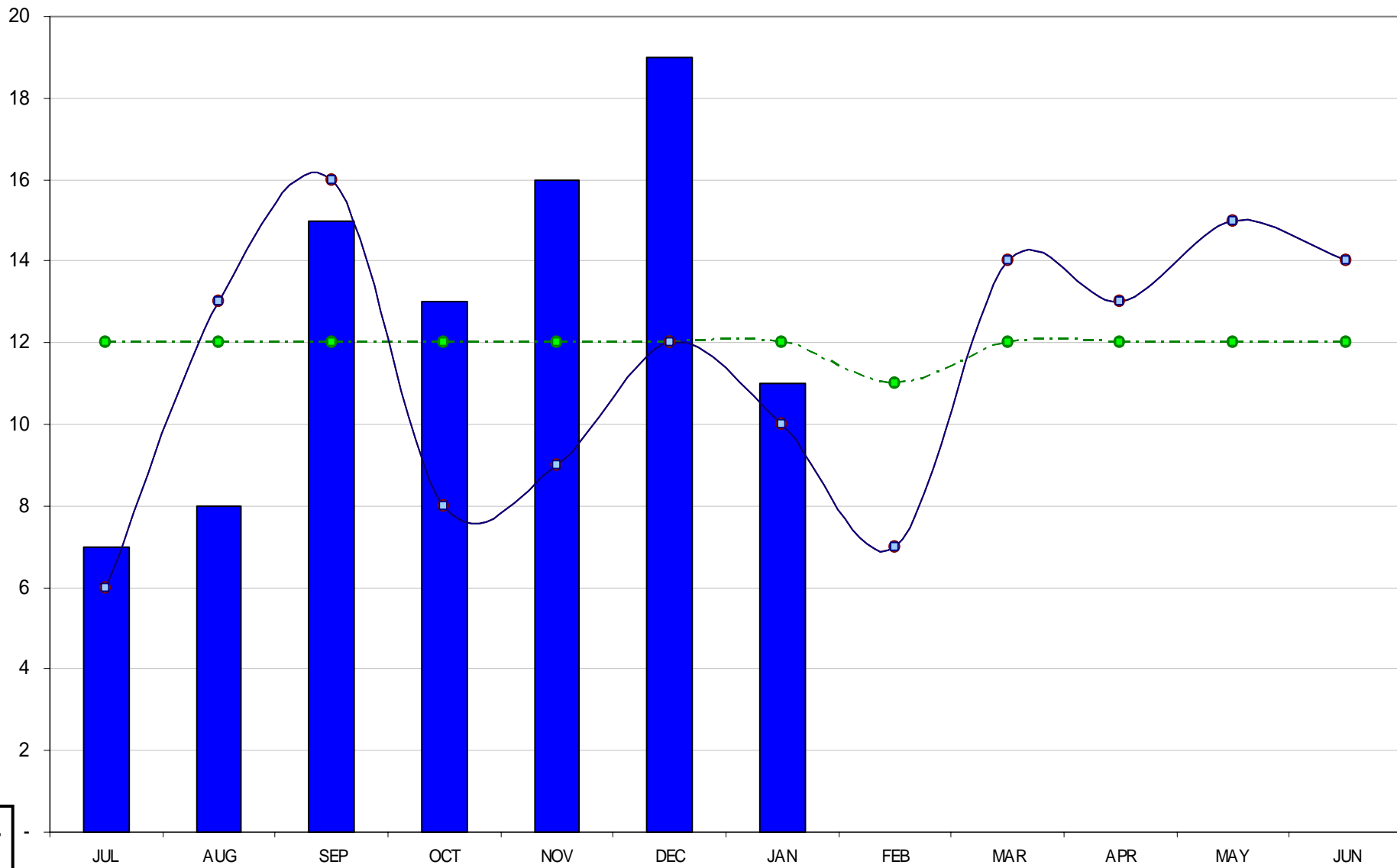
Escondido Surgery Center
Actual Budget
 406 454
 *Started in December 2007



	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>B-YTD</u>
PMC	176	190	123	141	155	477	567	-	-	-	-	-	1,829	1,976
POM	356	425	363	350	430	364	411	-	-	-	-	-	2,699	2,928
CON	532	615	486	491	585	841	978	-	-	-	-	-	4,528	4,904

Statistical Indicators

Surgeries – CVS (PMC only)

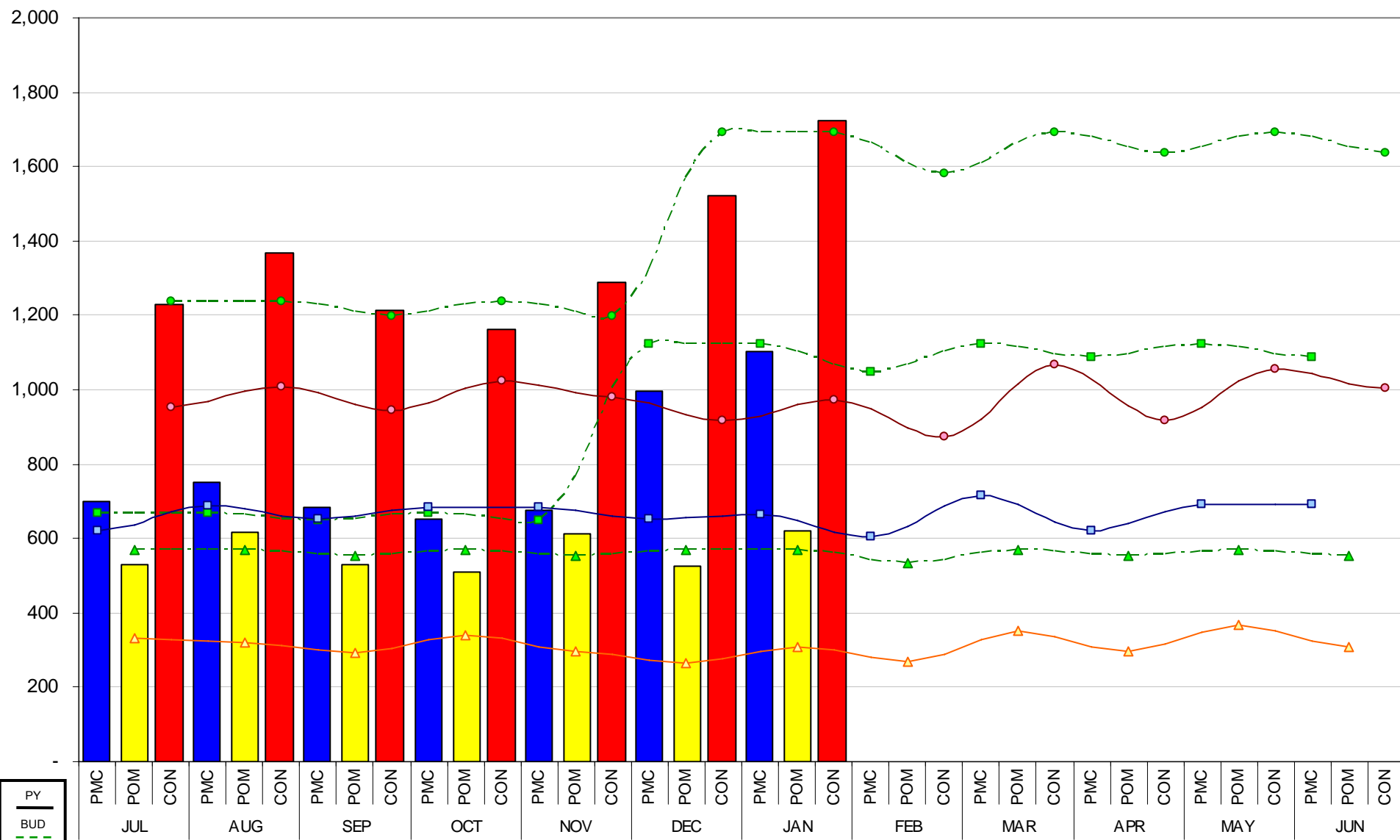


PY
BUD

	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>B-YTD</u>
PMC	7	8	15	13	16	19	11	-	-	-	-	-	89	84
POM	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CON	7	8	15	13	16	19	11	-	-	-	-	-	89	84

Statistical Indicators

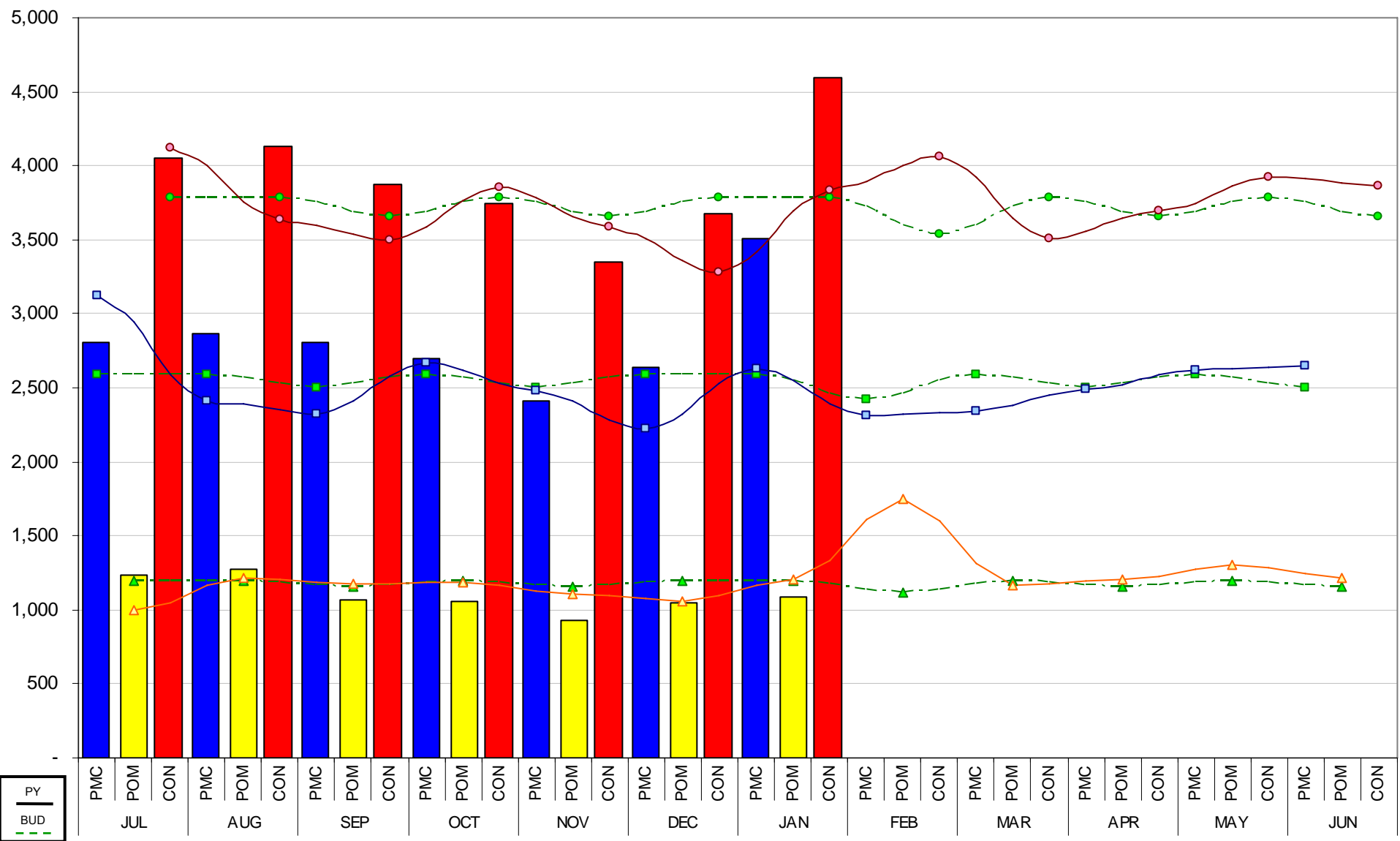
Total Surgeries



	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>B-YTD</u>
PMC	699	750	685	652	675	998	1,102	-	-	-	-	-	5,561	5,542
POM	530	618	528	510	612	524	621	-	-	-	-	-	3,943	3,954
CON	1,229	1,368	1,213	1,162	1,287	1,522	1,723	-	-	-	-	-	9,504	9,496

Statistical Indicators

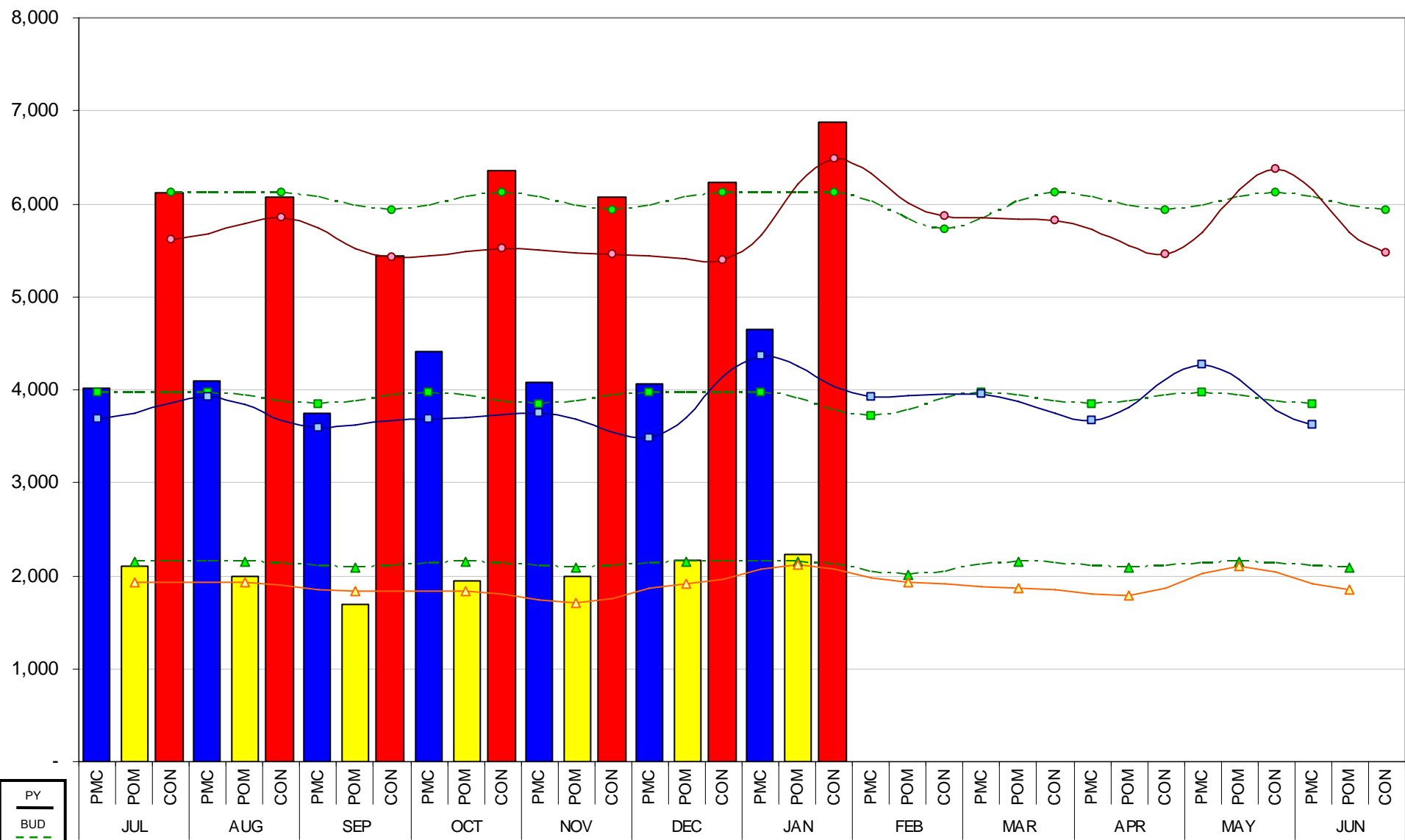
Outpatient Registrations (*excludes Lab*)



	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>B-YTD</u>
PMC	2,811	2,861	2,808	2,693	2,414	2,635	3,510	-	-	-	-	-	19,732	17,948
POM	1,238	1,274	1,066	1,057	932	1,044	1,085	-	-	-	-	-	7,696	8,282
CON	4,049	4,135	3,874	3,750	3,346	3,679	4,595	-	-	-	-	-	27,428	26,230

Statistical Indicators

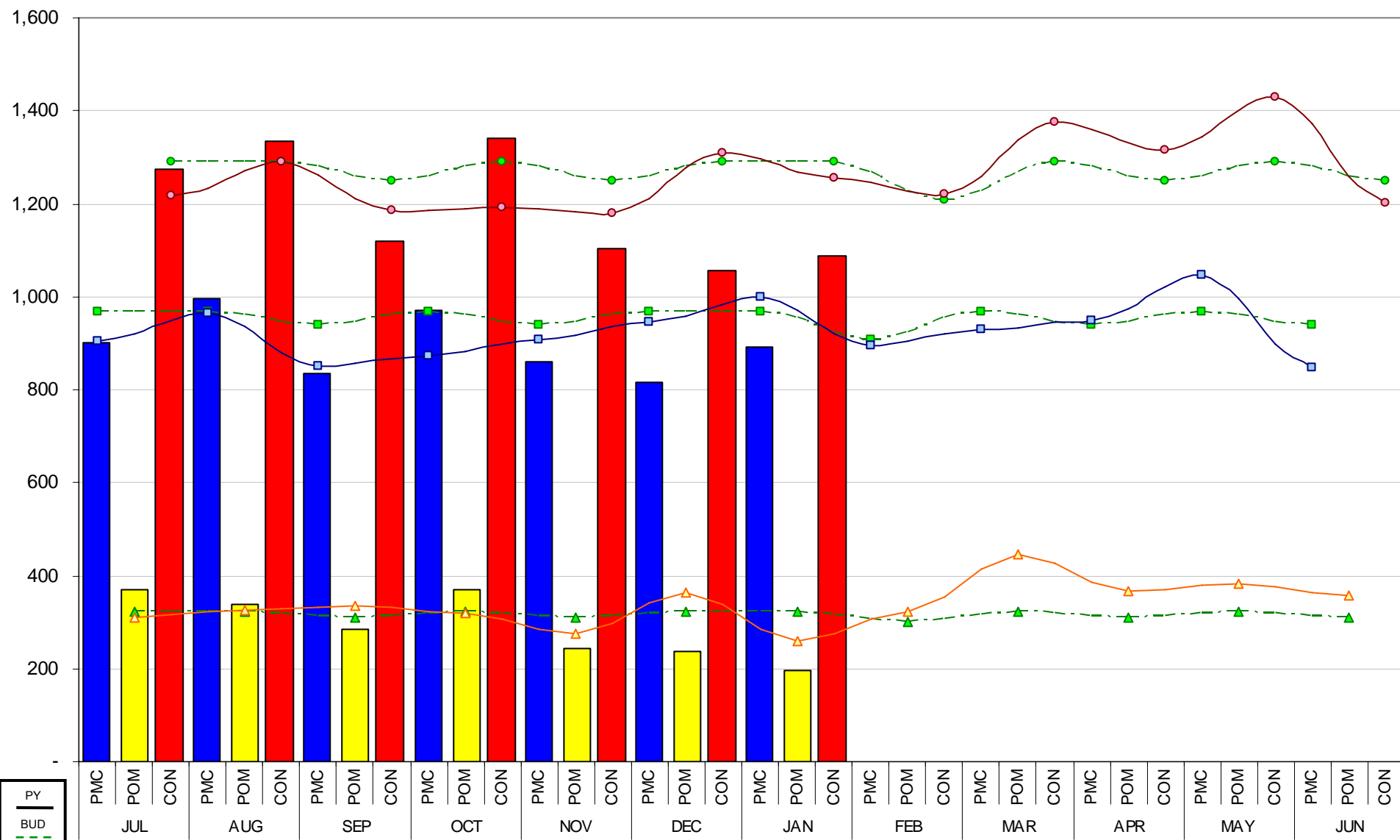
ER Visits (includes Trauma)



	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>B-YTD</u>
PMC	4,014	4,087	3,743	4,404	4,080	4,060	4,645	-	-	-	-	-	29,033	27,564
POM	2,110	1,990	1,688	1,947	1,988	2,170	2,235	-	-	-	-	-	14,128	14,919
CON	6,124	6,077	5,431	6,351	6,068	6,230	6,880	-	-	-	-	-	43,161	42,483

Statistical Indicators

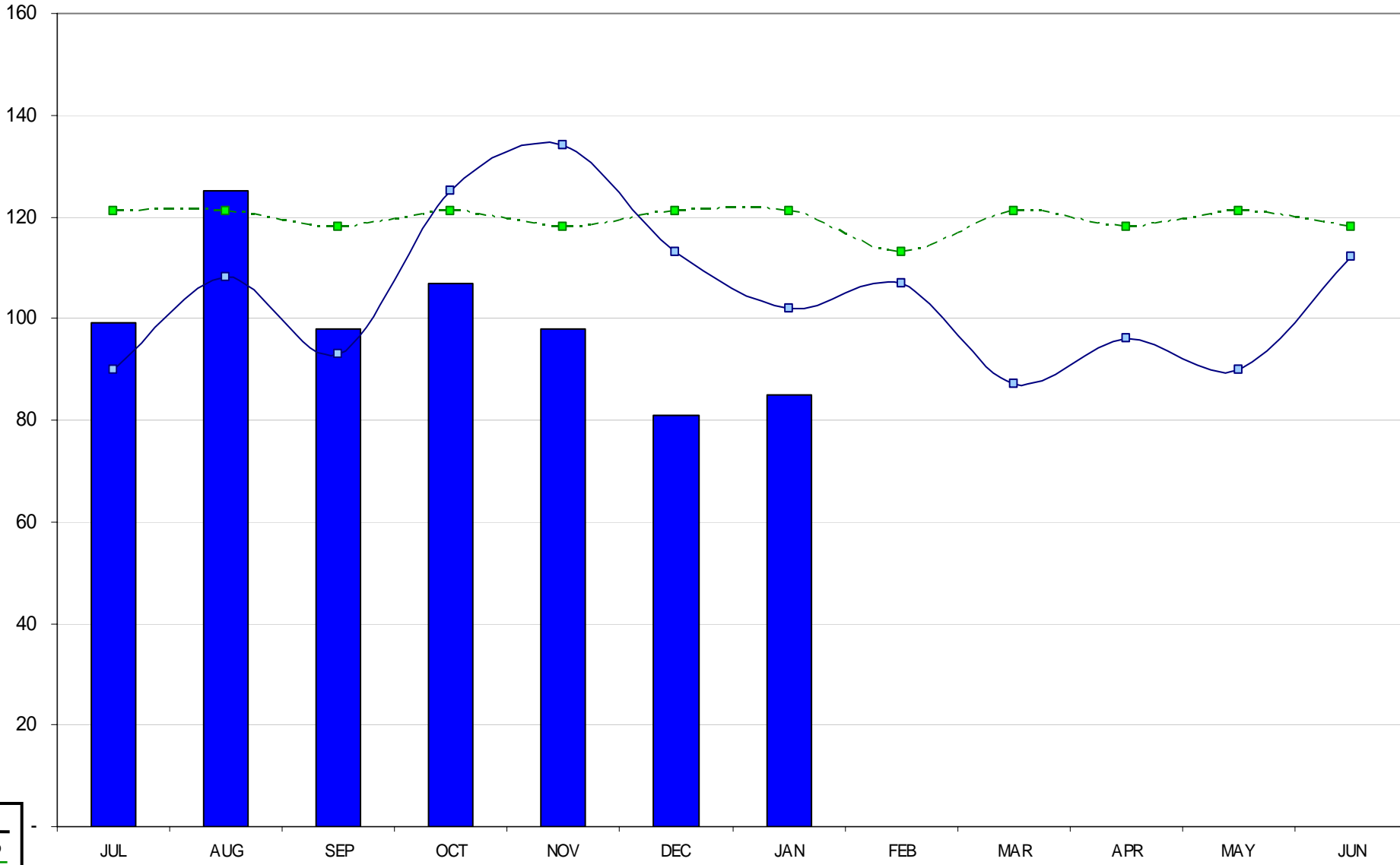
ER Admissions (includes Trauma)



	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>B-YTD</u>
PMC	902	997	835	971	861	817	893	-	-	-	-	-	6,276	6,721
POM	371	337	284	370	243	238	195	-	-	-	-	-	2,038	2,227
CON	1,273	1,334	1,119	1,341	1,104	1,055	1,088	-	-	-	-	-	8,314	8,948

Statistical Indicators

Trauma Cases (PMC only)

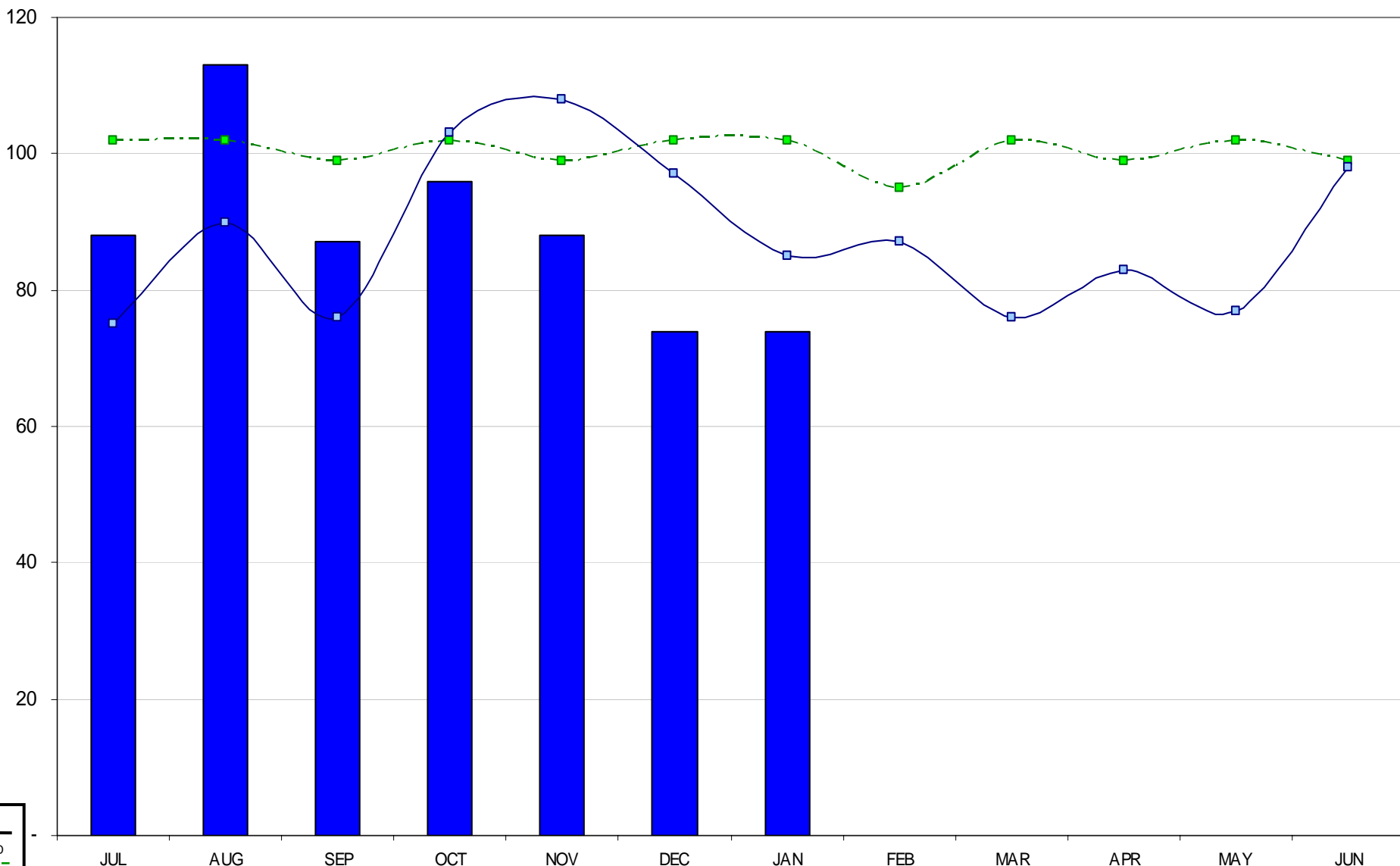


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	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>B-YTD</u>
PMC	99	125	98	107	98	81	85	-	-	-	-	-	693	841
POM	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CON	99	125	98	107	98	81	85	-	-	-	-	-	693	841

Statistical Indicators

Trauma Admissions (PMC only)

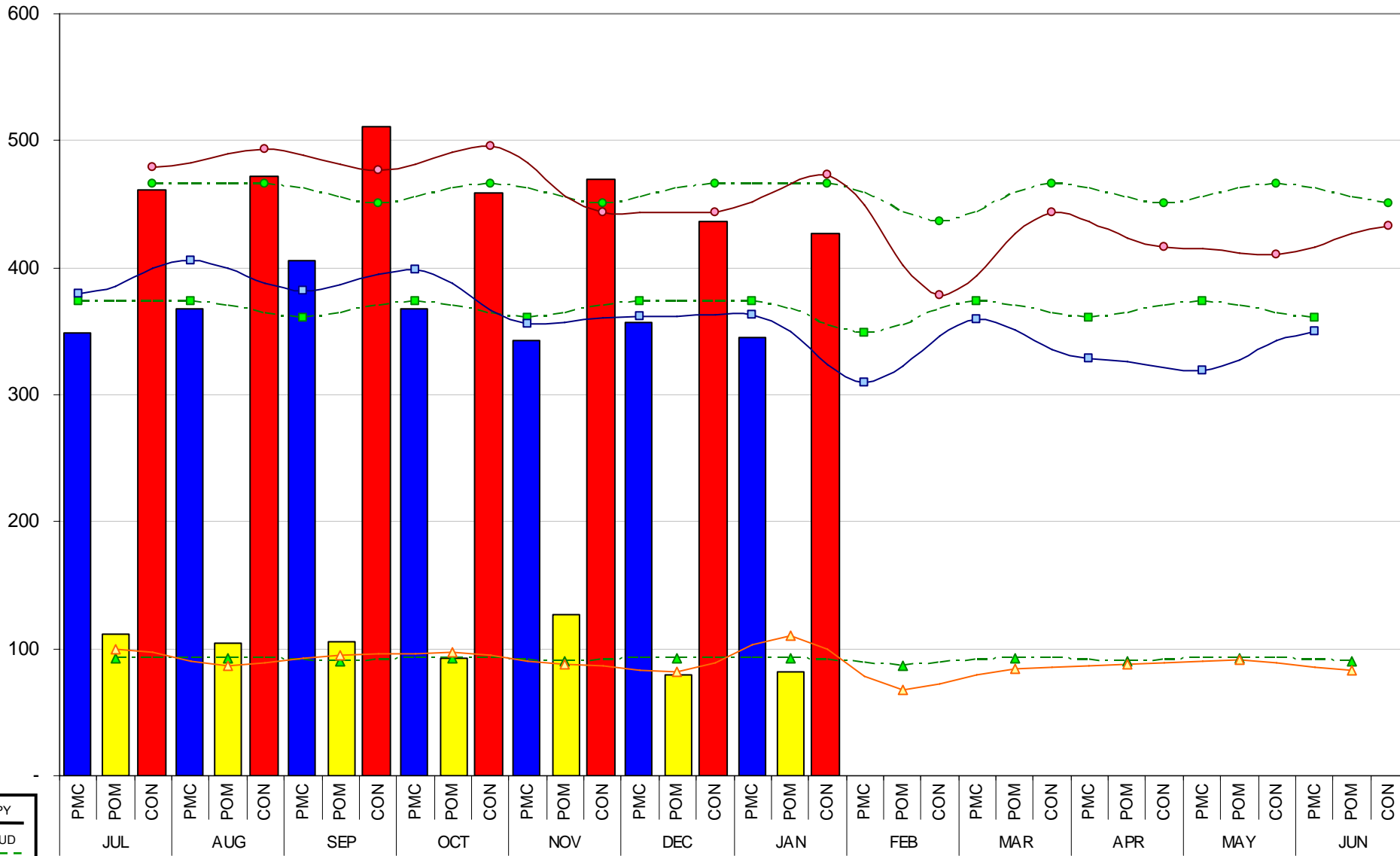


PY
BUD

	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>B-YTD</u>
PMC	88	113	87	96	88	74	74	-	-	-	-	-	620	708
POM	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CON	88	113	87	96	88	74	74	-	-	-	-	-	620	708

Statistical Indicators

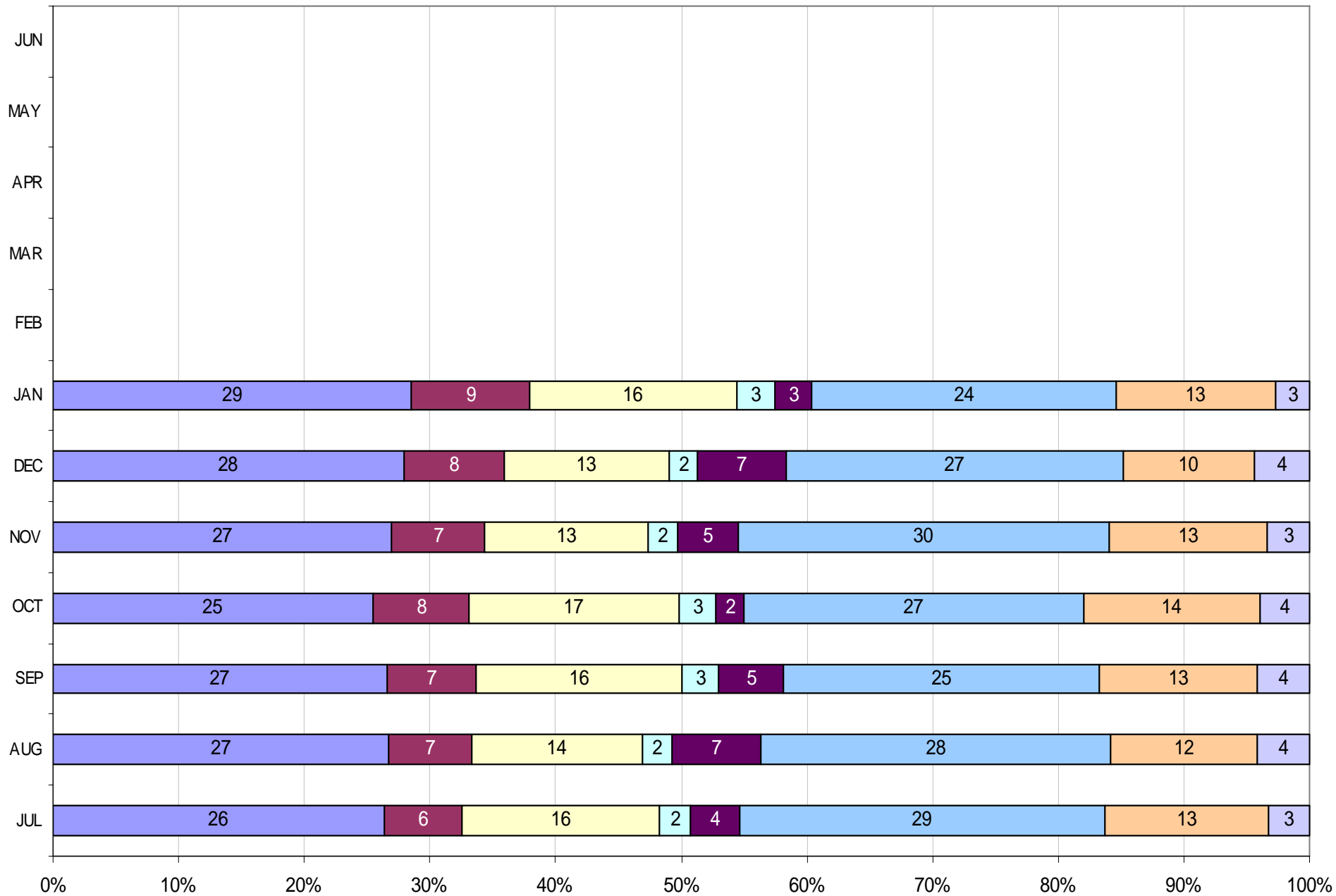
Deliveries



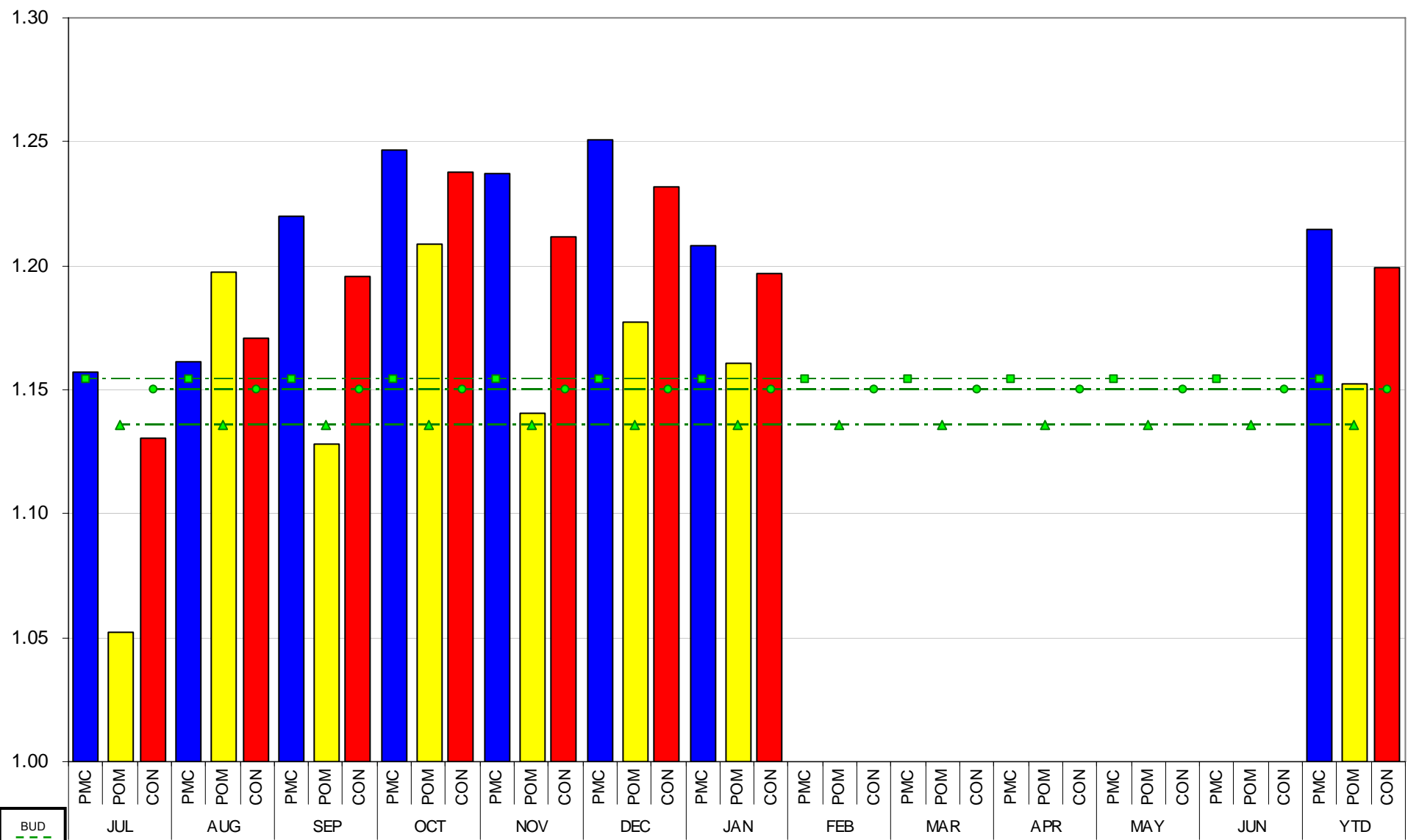
PY
BUD

	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>B-YTD</u>
PMC	349	368	406	367	343	357	345	-	-	-	-	-	2,535	2,587
POM	112	104	105	92	127	79	82	-	-	-	-	-	701	645
CON	461	472	511	459	470	436	427	-	-	-	-	-	3,236	3,232

Payor Mix
Based on Gross Revenue



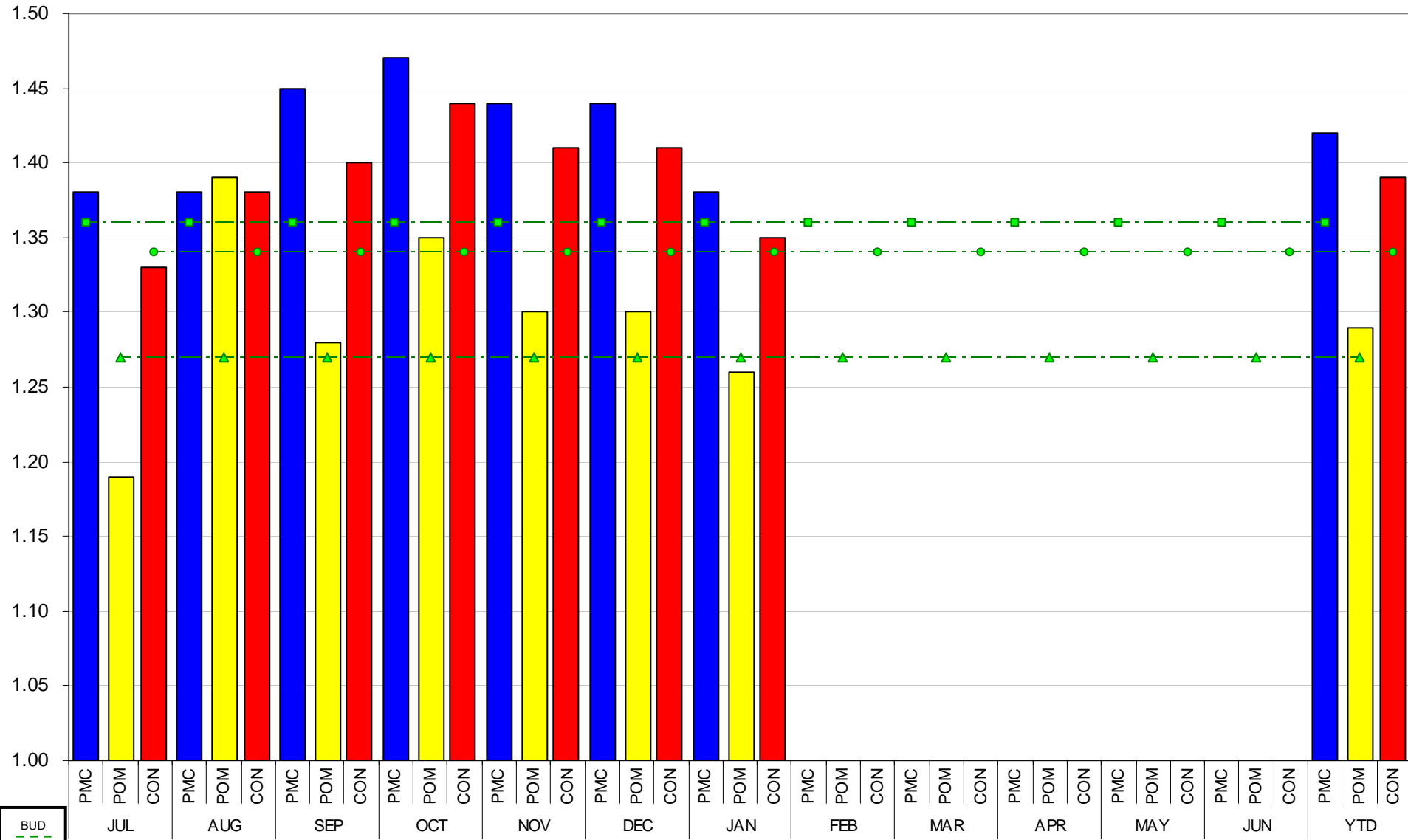
Case Mix Index



	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>
PMC	1.16	1.16	1.22	1.25	1.24	1.25	1.21	-	-	-	-	-	1.21
POM	1.05	1.20	1.13	1.21	1.14	1.18	1.16	-	-	-	-	-	1.15
CON	1.13	1.17	1.20	1.24	1.21	1.23	1.20	-	-	-	-	-	1.20

Case Mix Index by Region

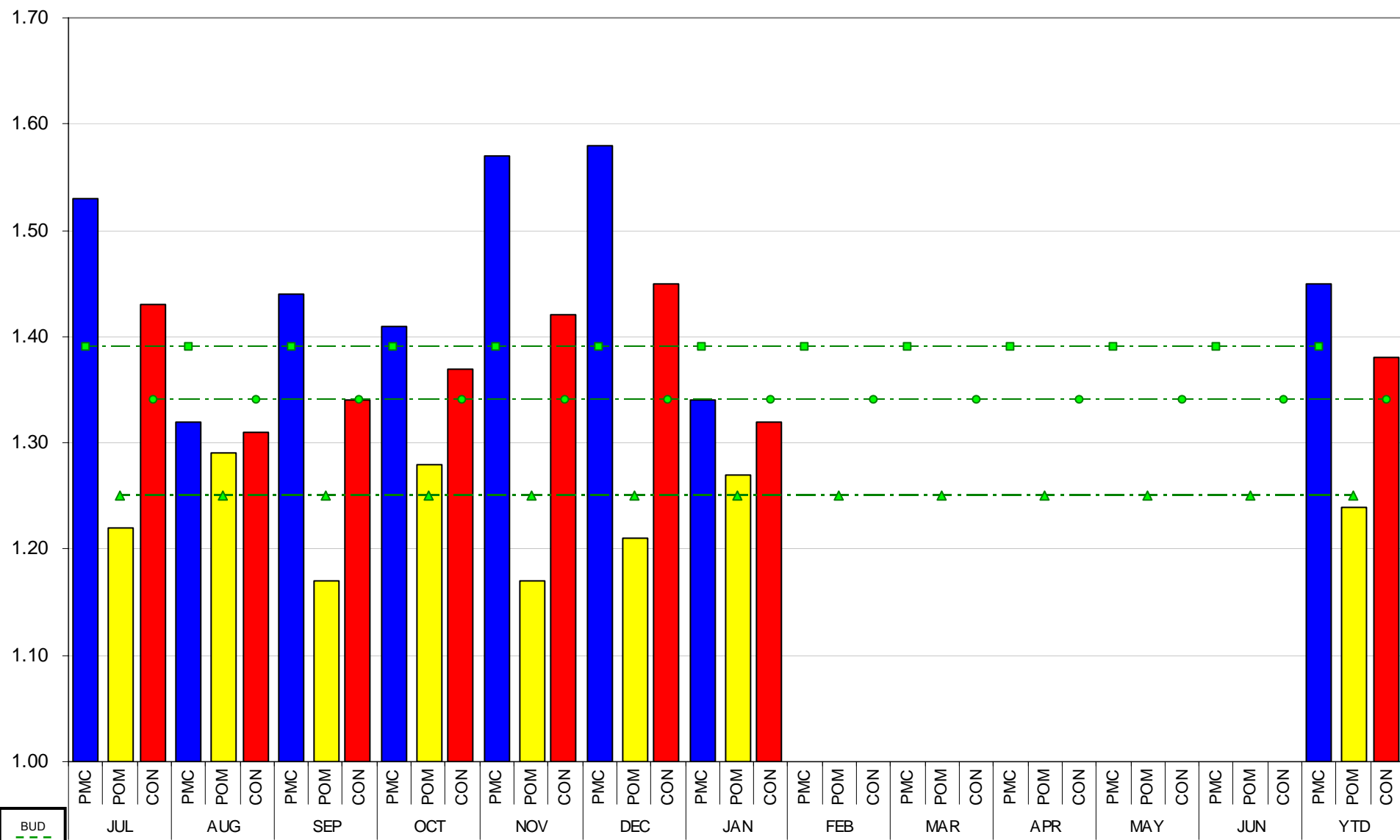
(excludes Deliveries)



	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>
PMC	1.38	1.38	1.45	1.47	1.44	1.44	1.38	-	-	-	-	-	1.42
POM	1.19	1.39	1.28	1.35	1.30	1.30	1.26	-	-	-	-	-	1.29
CON	1.33	1.38	1.40	1.44	1.41	1.41	1.35	-	-	-	-	-	1.39

Case Mix Index by Region

Medicare



	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>
PMC	1.53	1.32	1.44	1.41	1.57	1.58	1.34	-	-	-	-	-	1.45
POM	1.22	1.29	1.17	1.28	1.17	1.21	1.27	-	-	-	-	-	1.24
CON	1.43	1.31	1.34	1.37	1.42	1.45	1.32	-	-	-	-	-	1.38

Summary of Key Indicators & Results

Fiscal Year-to-Date

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE</u>	<u>FY 2007</u>
ADMISSIONS - Acute:				
Palomar Medical Center	12,774	13,510	-736	12,981
Pomerado Hospital	4,177	4,010	167	3,976
Total:	<u>16,951</u>	<u>17,520</u>	<u>-569</u>	<u>16,957</u>
ADMISSIONS - SNF:				
Palomar Medical Center	285	346	-61	360
Pomerado Hospital	324	327	-3	328
Total:	<u>609</u>	<u>673</u>	<u>-64</u>	<u>688</u>
PATIENT DAYS - Acute:				
Palomar Medical Center	49,246	50,612	-1,366	49,089
Pomerado Hospital	17,006	16,422	584	16,295
Total:	<u>66,252</u>	<u>67,034</u>	<u>-782</u>	<u>65,384</u>
PATIENT DAYS- SNF:				
Palomar Medical Center	18,240	18,864	-624	18,844
Pomerado Hospital	26,519	26,536	-17	26,513
Total:	<u>44,759</u>	<u>45,400</u>	<u>-641</u>	<u>45,357</u>

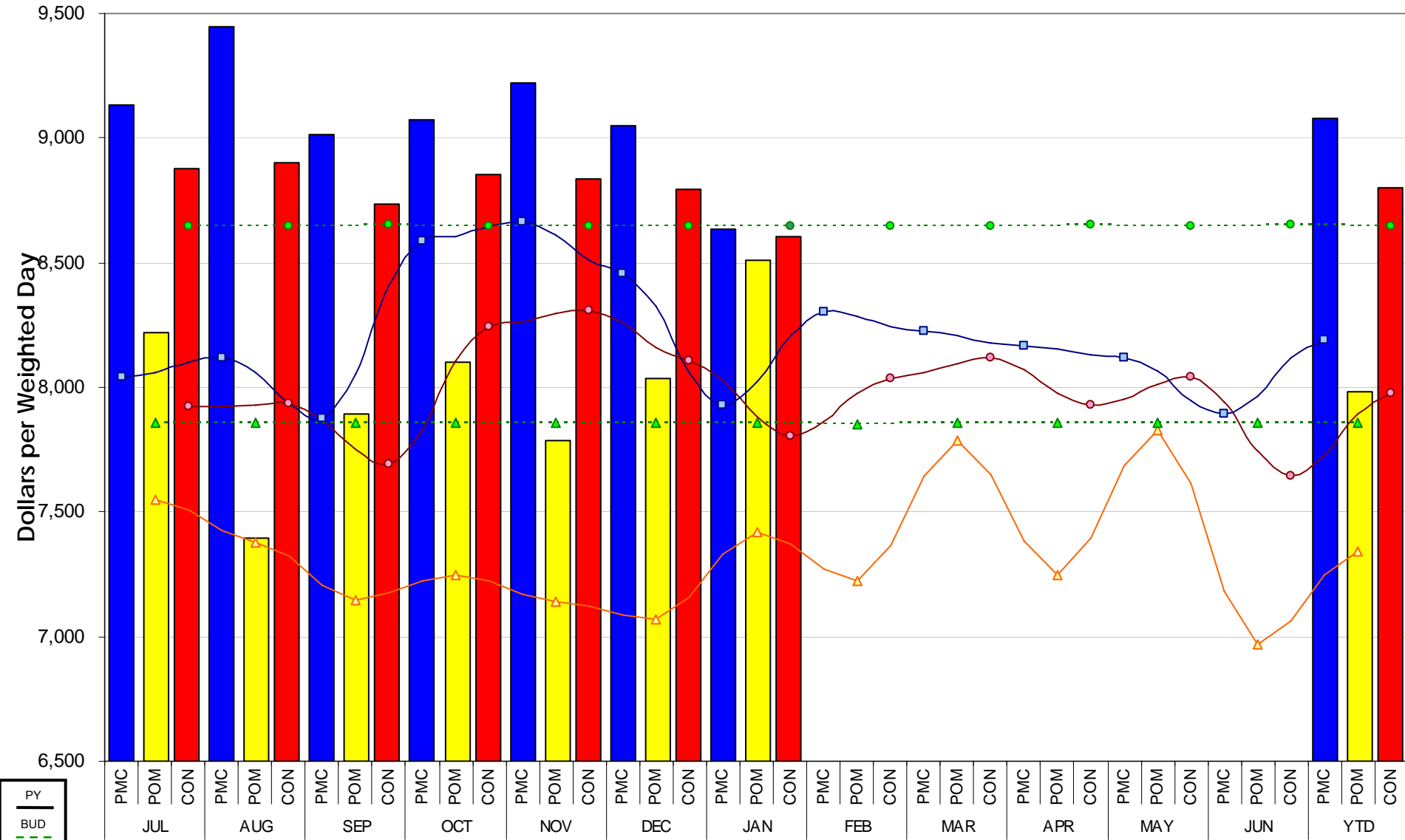
Summary of Key Indicators & Results

Fiscal Year-to-Date

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE</u>	<u>FY 2007</u>
WEIGHTED PATIENT DAYS:				
Palomar Medical Center	64,191	64,239	-48	62,335
Pomerado Hospital	26,577	26,076	501	26,513
Other Activities	1,567	1,630	-63	1,132
Total:	<u>92,335</u>	<u>91,945</u>	<u>390</u>	<u>89,980</u>
ADJUSTED DISCHARGES				
Palomar Medical Center	16,612	17,159	-547	16,678
Pomerado Hospital	6,175	6,016	159	5,953
Other Activities	492	555	-63	595
Total:	<u>23,279</u>	<u>23,730</u>	<u>-451</u>	<u>23,226</u>
AVERAGE LENGTH OF STAY- Acute:				
Palomar Medical Center	3.85	3.96	-0.11	3.84
Pomerado Hospital	4.04	3.90	0.14	3.20
Total:	<u>3.90</u>	<u>3.83</u>	<u>0.07</u>	<u>3.82</u>
AVERAGE LENGTH OF STAY - SNF:				
Palomar Medical Center	64.68	55.65	9.03	53.69
Pomerado Hospital	82.36	81.15	1.21	82.08
Total:	<u>74.10</u>	<u>68.17</u>	<u>5.93</u>	<u>67.30</u>

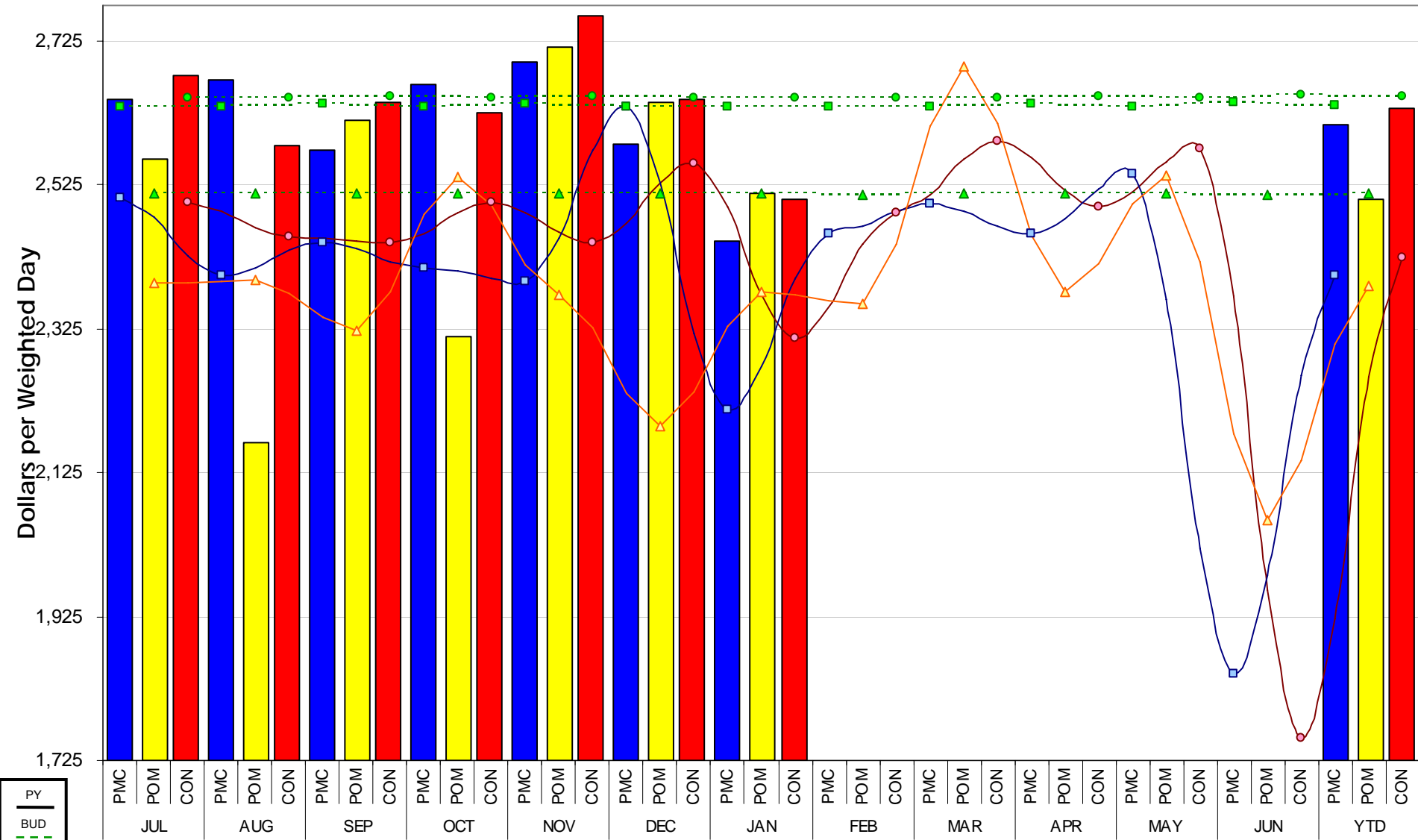
	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE</u>	<u>FY 2007</u>
EMERGENCY ROOM VISITS & TRAUMA CASES:				
Palomar Medical Center	29,726	28,405	1,321	3,461
Pomerado Hospital	14,128	14,919	-791	1,703
Total:	<u>43,854</u>	<u>43,324</u>	<u>530</u>	<u>5,164</u>
EMERGENCY & TRAUMA ADMISSIONS:				
Palomar Medical Center	6,896	7,429	-533	749
Pomerado Hospital	2,038	2,227	-189	294
Total:	<u>8,934</u>	<u>9,656</u>	<u>-722</u>	<u>1,043</u>
SURGERIES:				
Palomar Medical Center	5,561	5,542	19	577
Pomerado Hospital	3,943	3,954	-11	322
Total:	<u>9,504</u>	<u>9,496</u>	<u>8</u>	<u>899</u>
BIRTHS:				
Palomar Medical Center	2,535	2,587	-52	371
Pomerado Hospital	701	645	56	121
Total:	<u>3,236</u>	<u>3,232</u>	<u>4</u>	<u>492</u>

Weighted Patient Days
Gross Patient Revenue per WPD



	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>B-YTD</u>
PMC	9,130	9,449	9,017	9,072	9,222	9,047	8,635	-	-	-	-	-	9,079	8,902
POM	8,222	7,392	7,892	8,102	7,784	8,035	8,509	-	-	-	-	-	7,983	7,857
CON	8,880	8,898	8,735	8,852	8,835	8,794	8,602	-	-	-	-	-	8,798	8,646

Weighted Patient Days
Net Patient Revenue per WPD

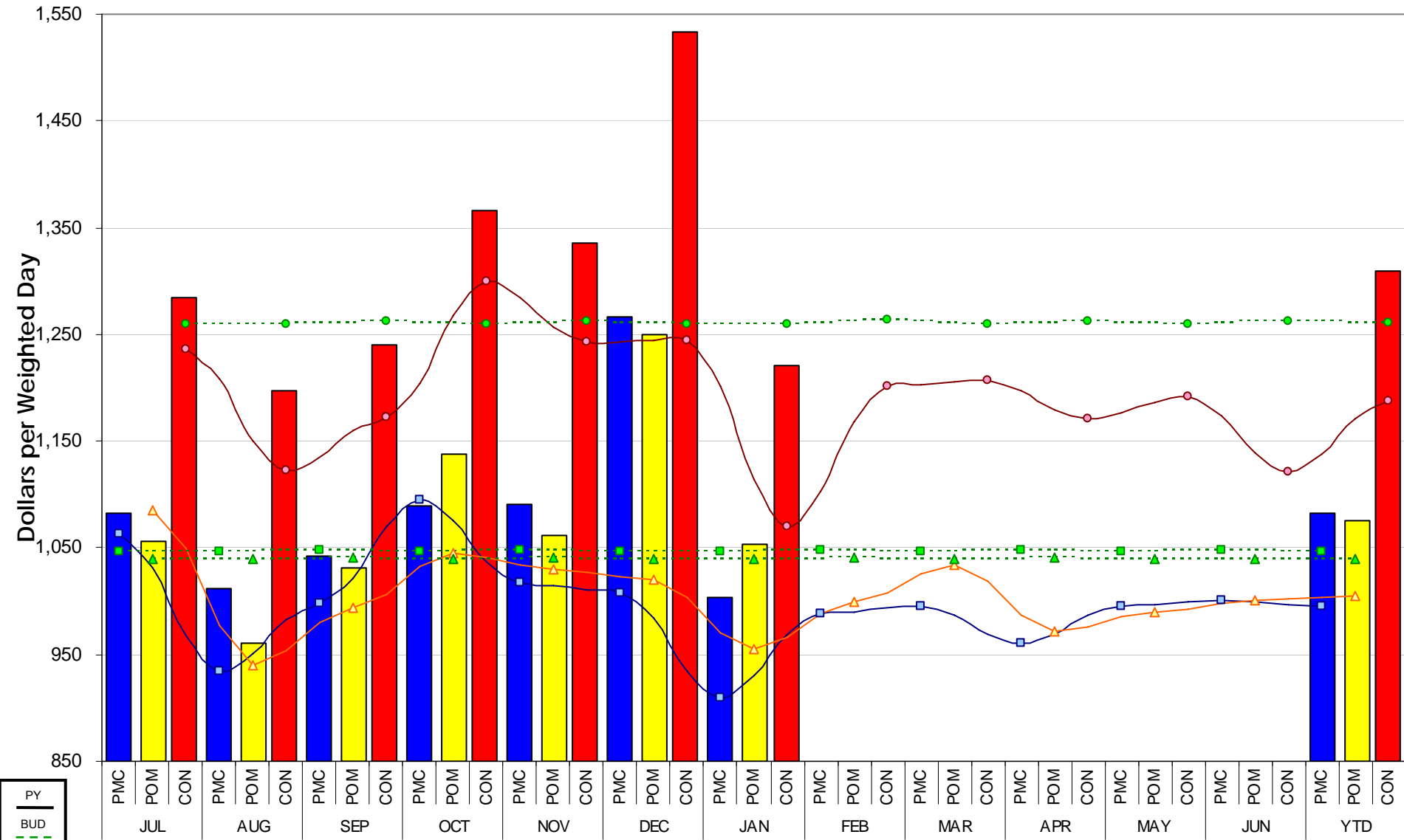


	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>B-YTD</u>
PMC	2,644	2,671	2,573	2,665	2,696	2,581	2,448	-	-	-	-	-	2,610	2,639
POM	2,562	2,168	2,616	2,315	2,717	2,641	2,514	-	-	-	-	-	2,504	2,513
CON	2,678	2,580	2,641	2,626	2,760	2,645	2,506	-	-	-	-	-	2,632	2,648

FISCAL YEAR 2008

Weighted Patient Days

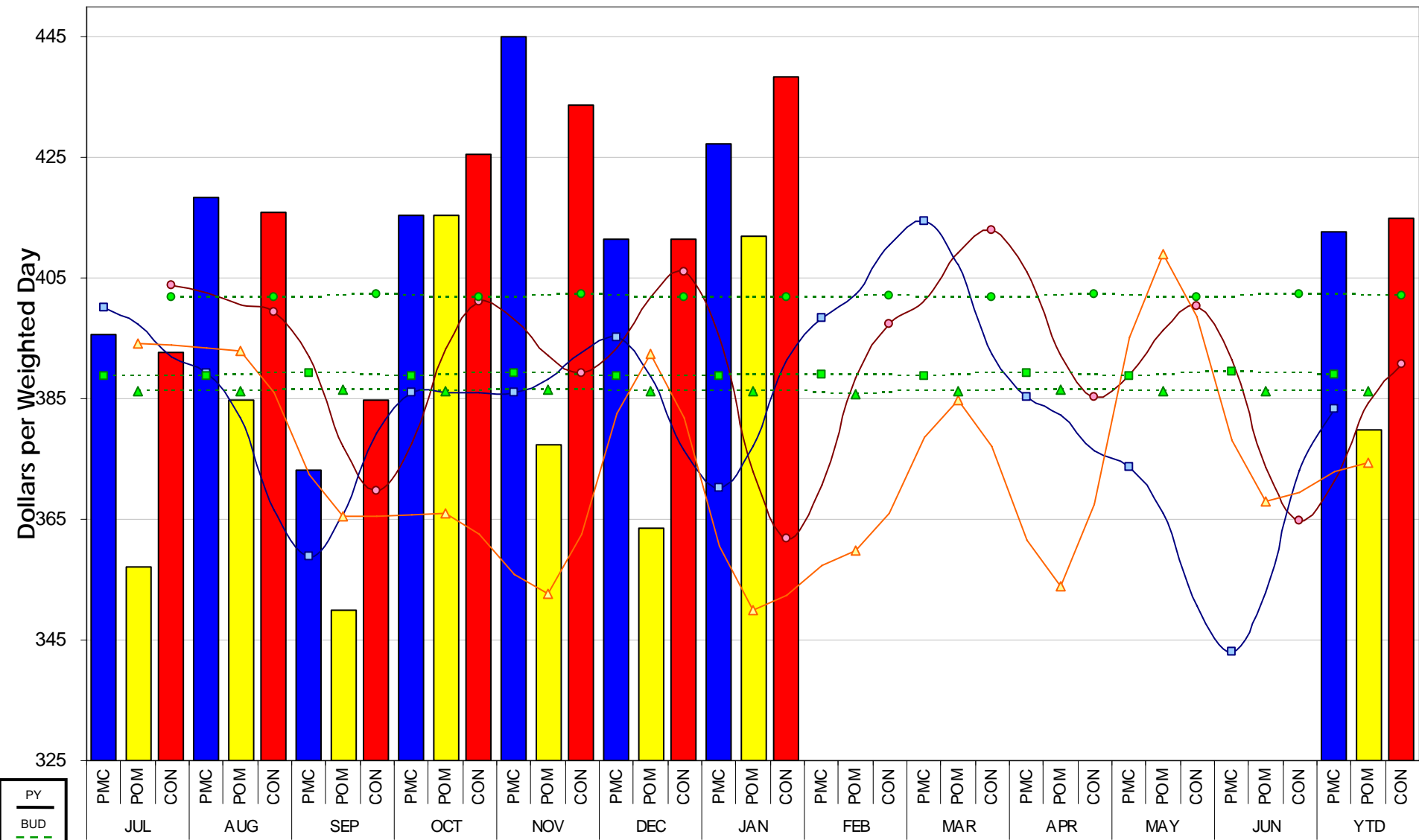
Salaries, Wages & Contract Labor per WPD



	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>B-YTD</u>
PMC	1,082	1,012	1,042	1,089	1,090	1,267	1,004	-	-	-	-	-	1,083	1,049
POM	1,056	961	1,031	1,138	1,062	1,249	1,054	-	-	-	-	-	1,075	1,040
CON	1,284	1,197	1,240	1,366	1,335	1,533	1,221	-	-	-	-	-	1,309	1,261

Weighted Patient Days

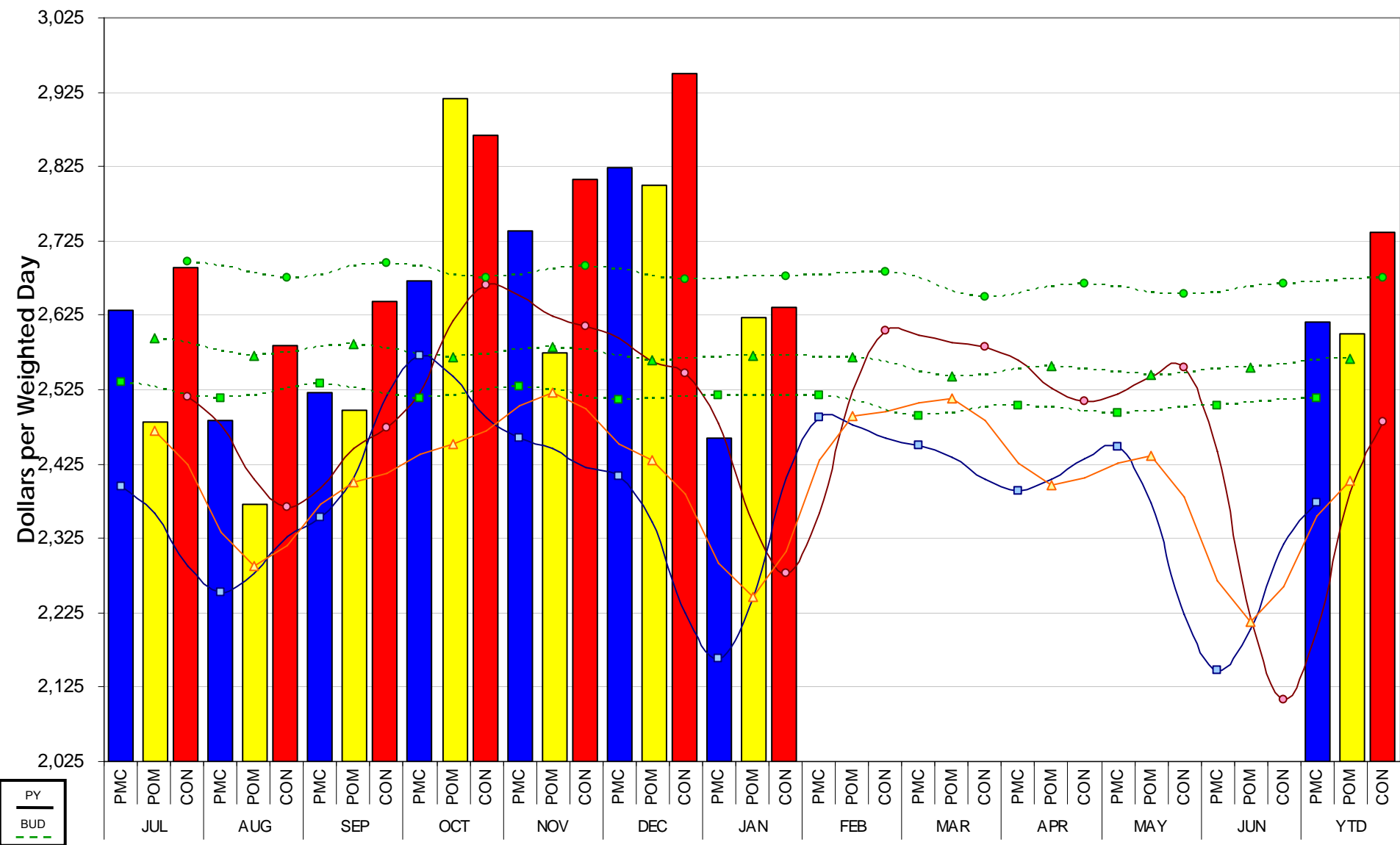
Supplies per WPD



	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>B-YTD</u>
PMC	396	418	373	415	445	411	427	-	-	-	-	-	413	391
POM	357	385	350	416	377	364	412	-	-	-	-	-	380	386
CON	393	416	385	426	434	412	438	-	-	-	-	-	415	402

Weighted Patient Days

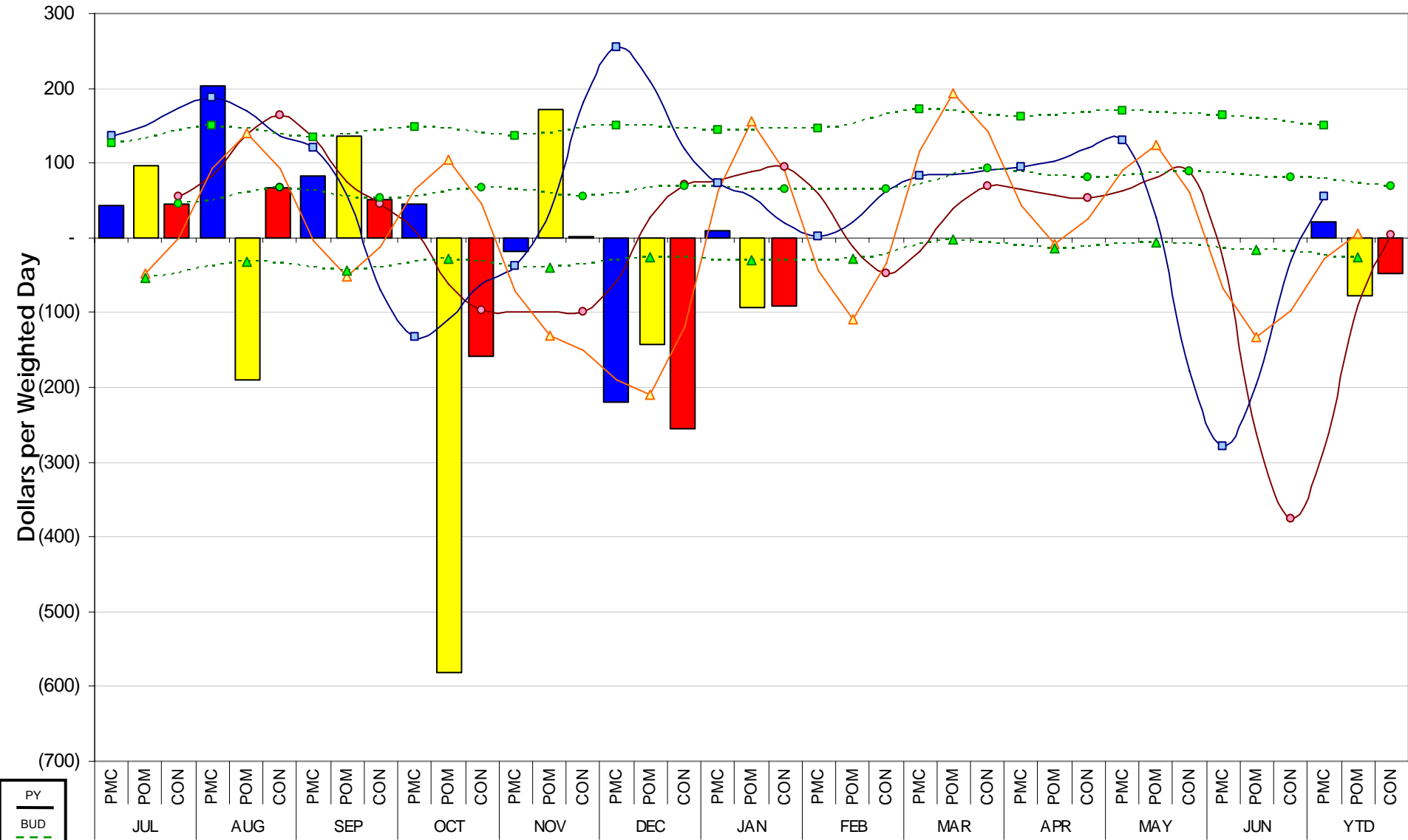
Total Expenses per WPD



	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>B-YTD</u>
PMC	2,632	2,483	2,521	2,671	2,739	2,824	2,460	-	-	-	-	-	2,616	2,525
POM	2,482	2,371	2,496	2,917	2,573	2,801	2,622	-	-	-	-	-	2,600	2,577
CON	2,689	2,584	2,644	2,866	2,808	2,950	2,637	-	-	-	-	-	2,737	2,683

Weighted Patient Days

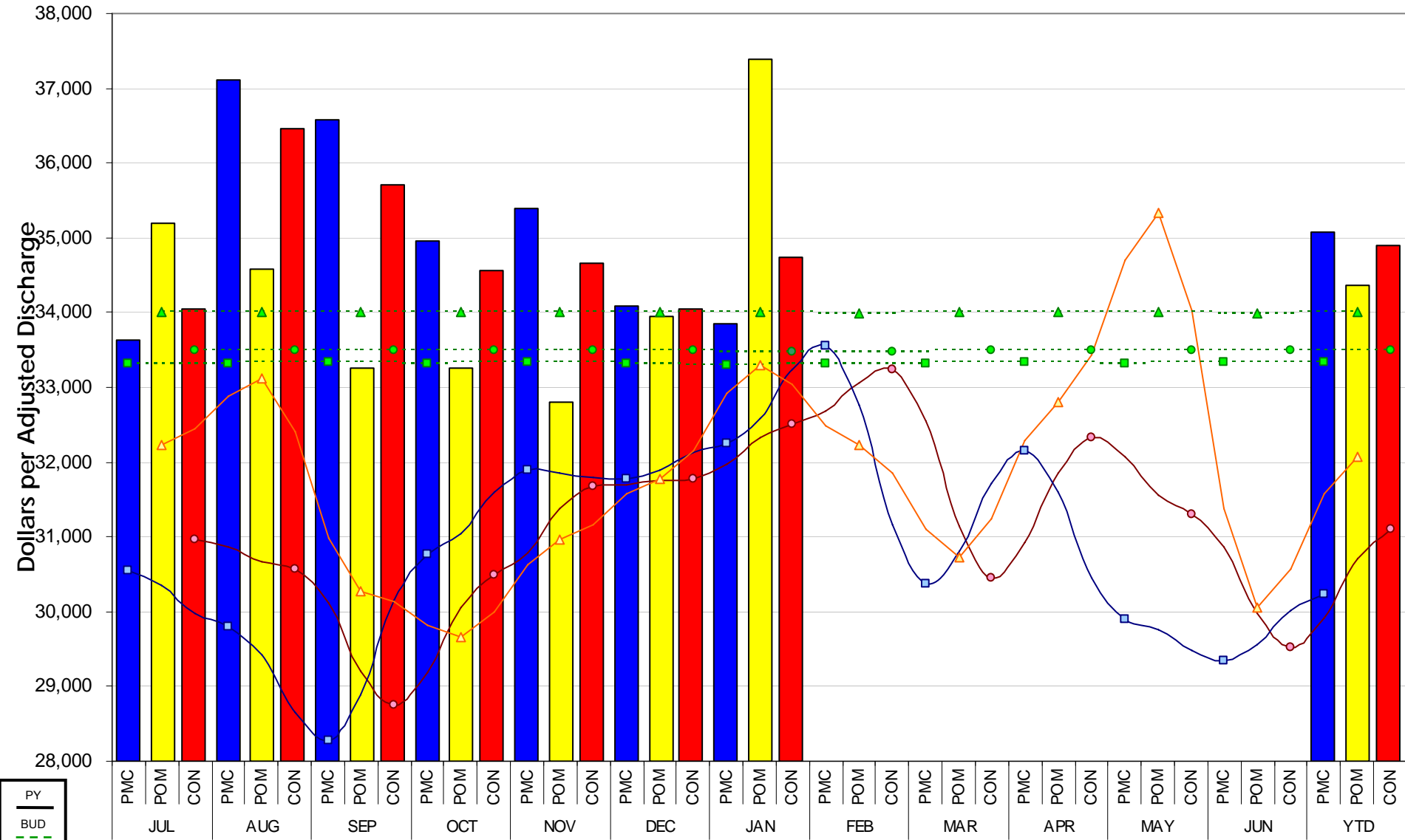
Net Operating Income per WPD



	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>B-YTD</u>
PMC	43	204	83	46	(19)	(220)	10	-	-	-	-	-	22	141
POM	96	(190)	136	(582)	171	(142)	(93)	-	-	-	-	-	(78)	(36)
CON	45	68	51	(158)	1	(254)	(91)	-	-	-	-	-	(48)	60

Adjusted Discharges

Gross Patient Revenue per Adjusted Discharges

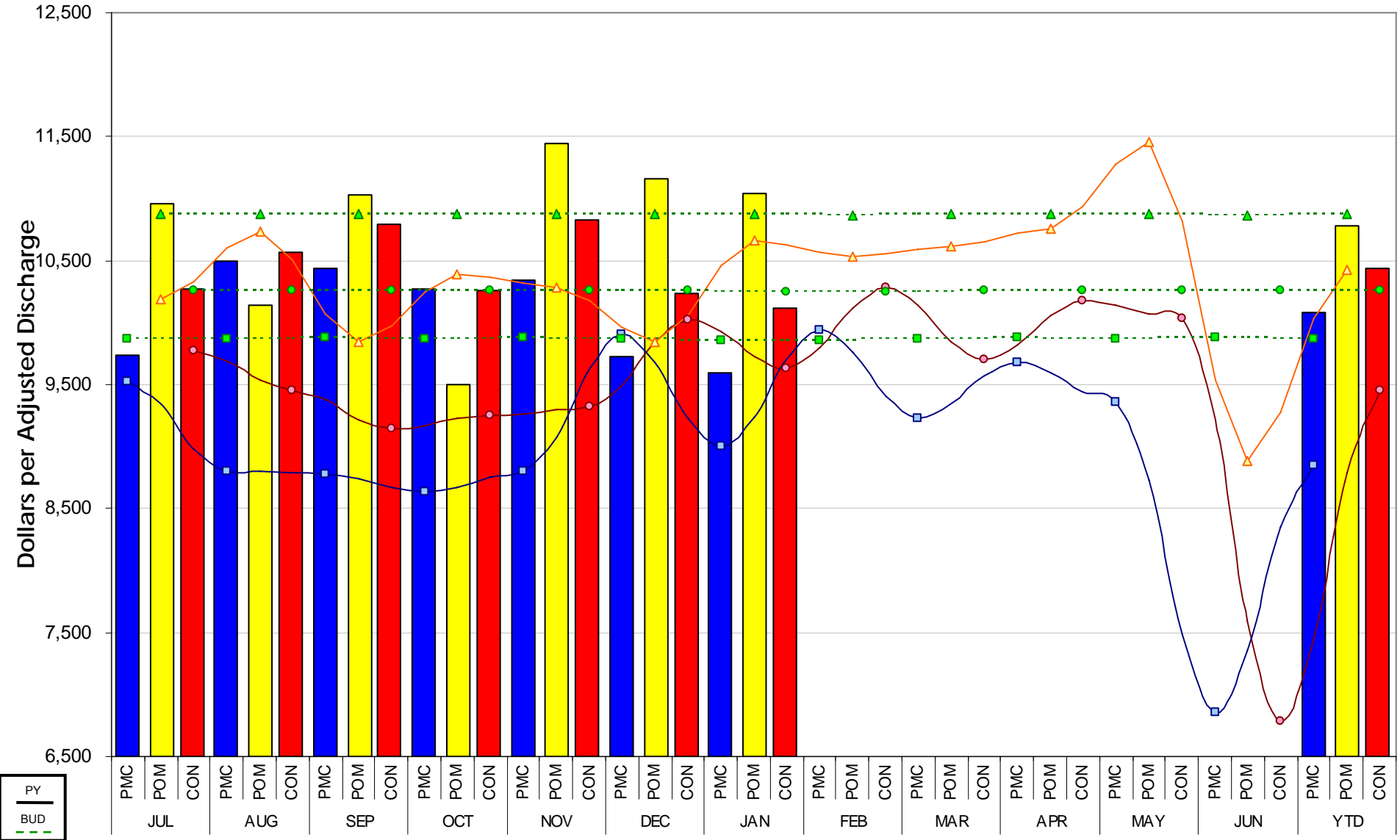


	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>B-YTD</u>
PMC	33,628	37,115	36,573	34,962	35,383	34,084	33,852	-	-	-	-	-	35,081	33,327
POM	35,188	34,573	33,267	33,266	32,806	33,958	37,385	-	-	-	-	-	34,360	34,057
CON	34,046	36,462	35,702	34,561	34,669	34,055	34,748	-	-	-	-	-	34,896	33,500

FISCAL YEAR 2008

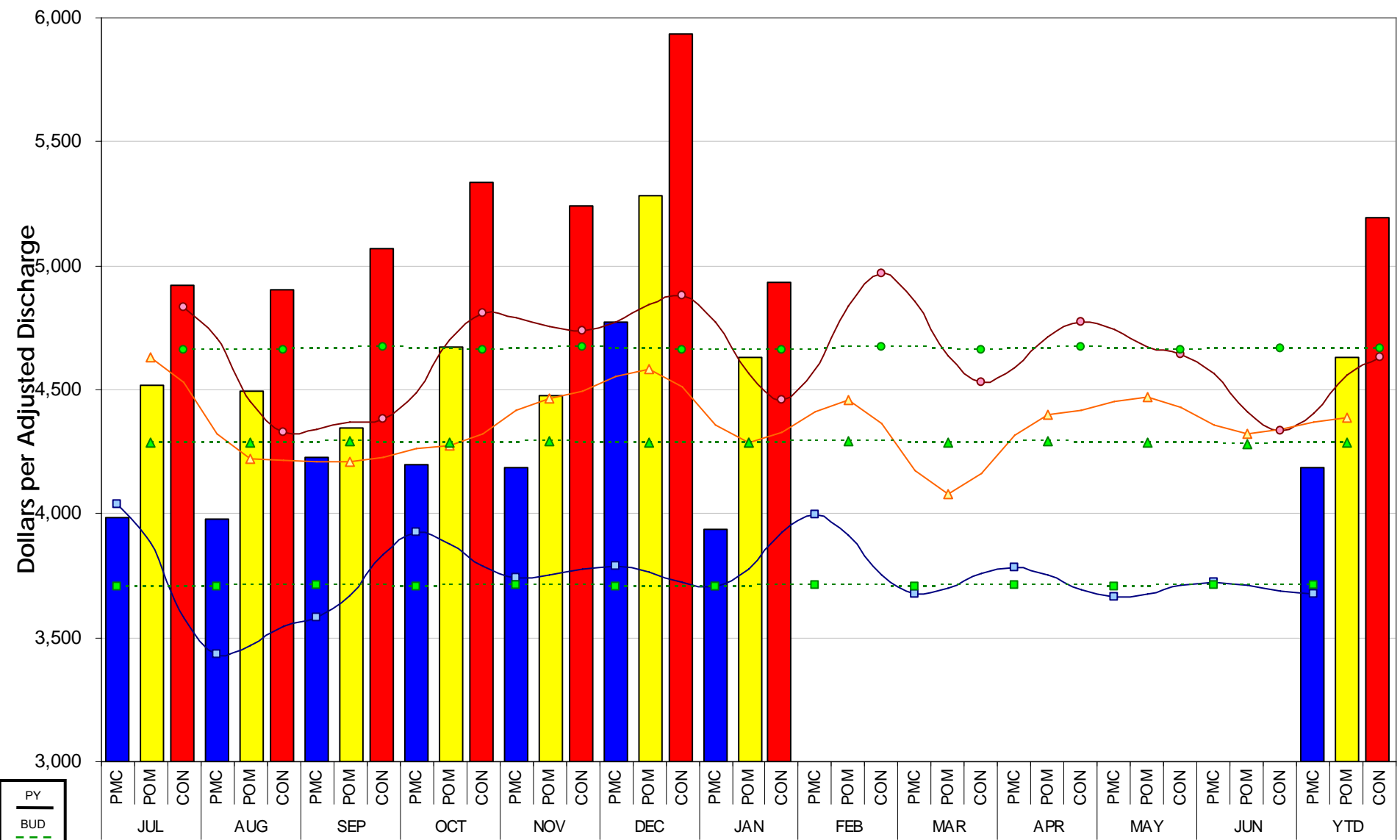
Adjusted Discharges

Net Patient Revenue per Adjusted Discharges



	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>B-YTD</u>
PMC	9,737	10,493	10,437	10,270	10,344	9,725	9,597	-	-	-	-	-	10,083	9,880
POM	10,963	10,138	11,028	9,505	11,450	11,160	11,046	-	-	-	-	-	10,778	10,894
CON	10,266	10,573	10,793	10,254	10,829	10,241	10,121	-	-	-	-	-	10,438	10,258

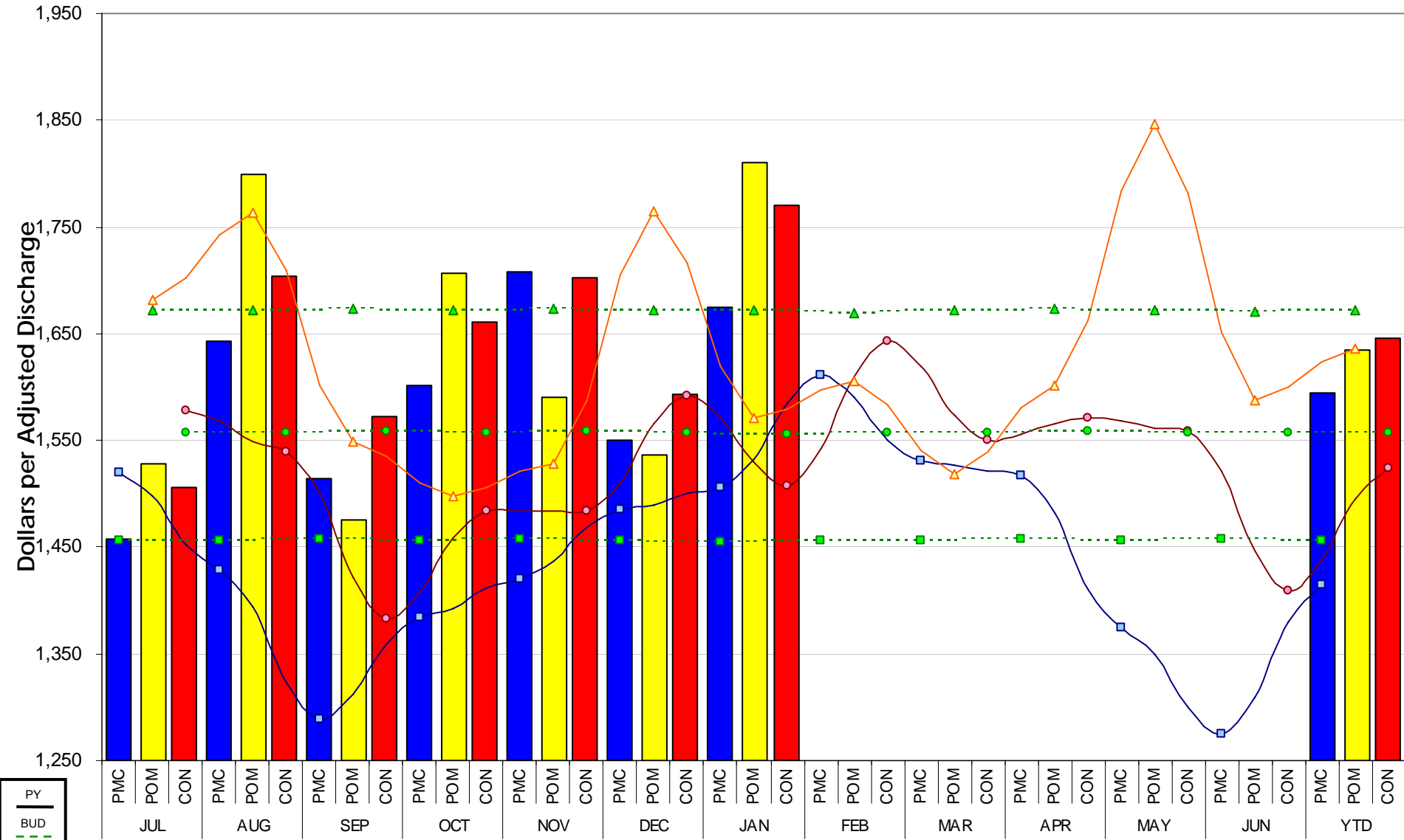
Adjusted Discharges
Salaries per Adjusted Discharge



	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>B-YTD</u>
PMC	3,984	3,977	4,227	4,198	4,183	4,772	3,935	-	-	-	-	-	4,184	3,927
POM	4,518	4,494	4,344	4,672	4,477	5,280	4,630	-	-	-	-	-	4,629	4,507
CON	4,922	4,905	5,070	5,334	5,238	5,936	4,930	-	-	-	-	-	5,191	4,884

Adjusted Discharges

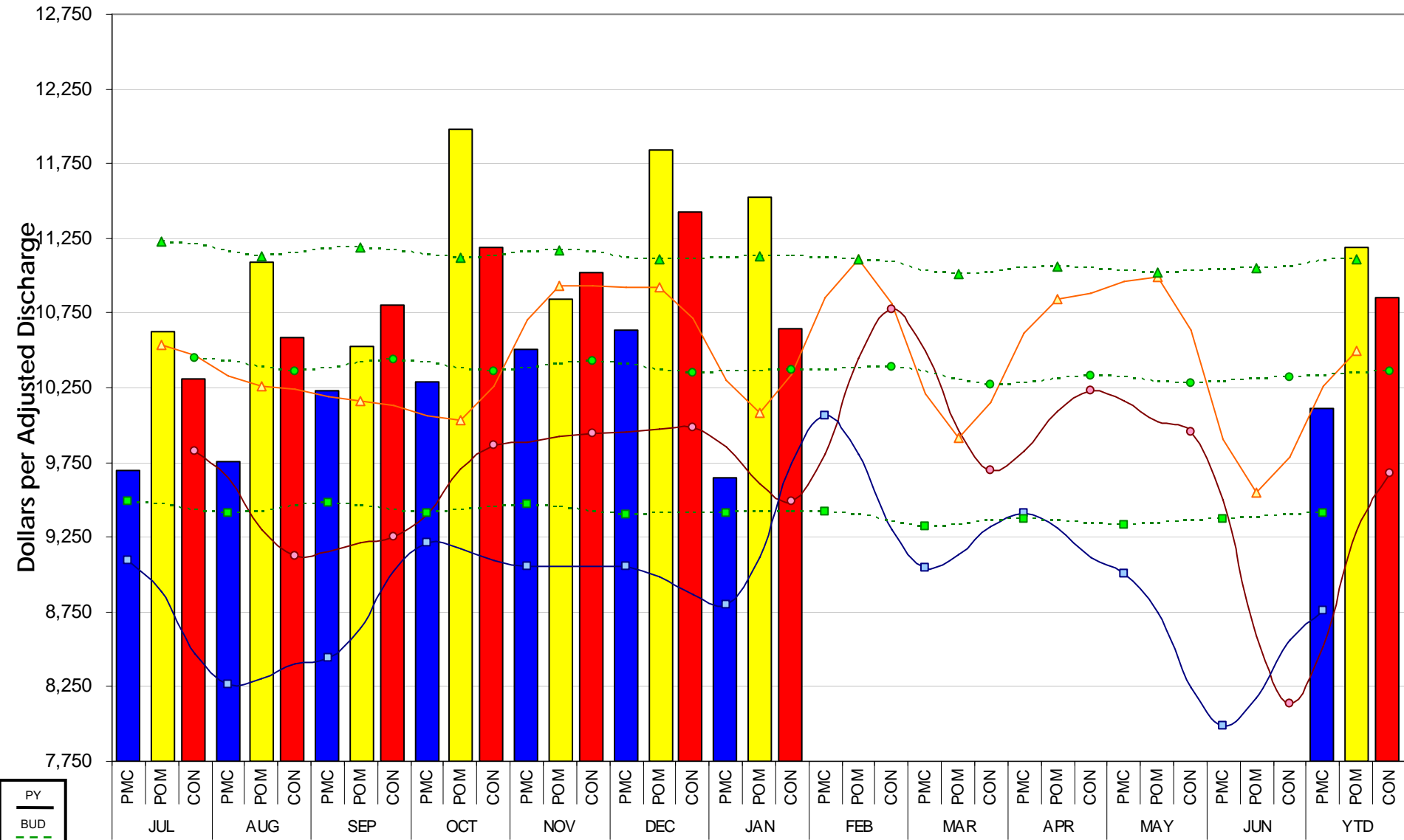
Supplies per Adjusted Discharge



	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>B-YTD</u>
PMC	1,457	1,643	1,514	1,601	1,708	1,550	1,675	-	-	-	-	-	1,594	1,462
POM	1,528	1,800	1,475	1,706	1,590	1,536	1,810	-	-	-	-	-	1,634	1,675
CON	1,506	1,704	1,573	1,661	1,702	1,594	1,770	-	-	-	-	-	1,646	1,557

Adjusted Discharges

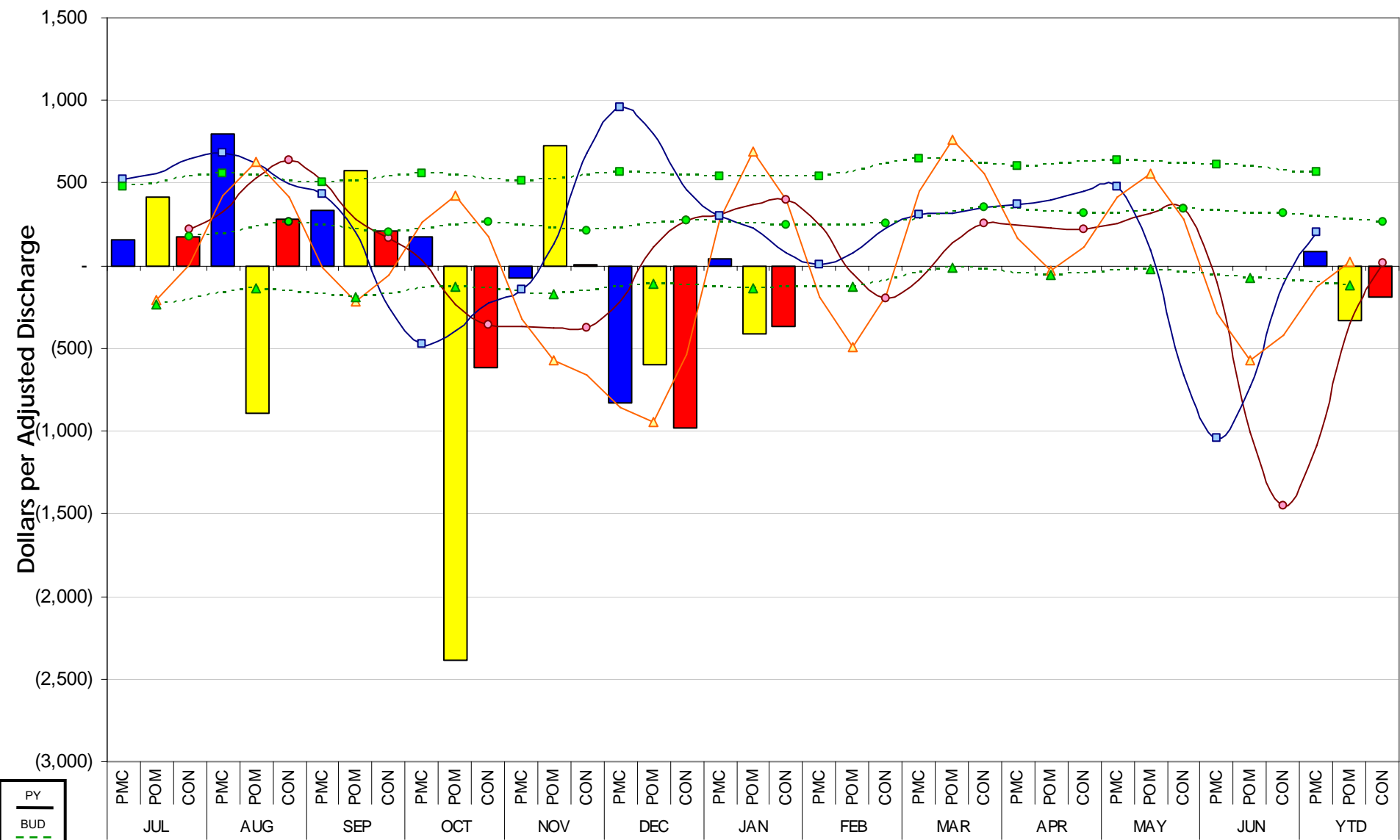
Total Expenses per Adjusted Discharges



	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>B-YTD</u>
PMC	9,693	9,752	10,226	10,293	10,511	10,640	9,643	-	-	-	-	-	10,108	9,454
POM	10,622	11,090	10,523	11,977	10,846	11,836	11,522	-	-	-	-	-	11,191	11,168
CON	10,309	10,589	10,807	11,191	11,019	11,422	10,650	-	-	-	-	-	10,856	10,397

Adjusted Discharges

Net Operating Income per Adjusted Discharges



	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>B-YTD</u>
PMC	158	799	335	177	(72)	(828)	40	-	-	-	-	-	84	528
POM	411	(889)	575	(2,388)	722	(602)	(408)	-	-	-	-	-	(335)	(157)
CON	171	278	208	(618)	5	(985)	(366)	-	-	-	-	-	(189)	232

Key Variance Explanations

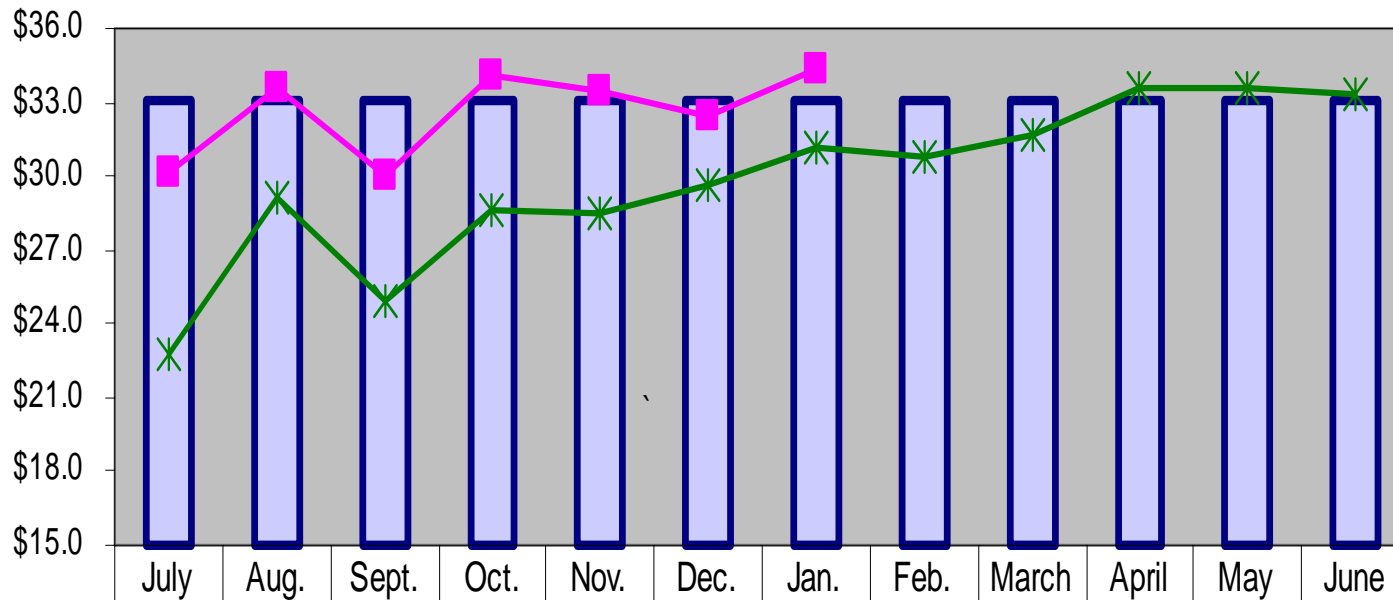
	Actual	Budget	Variance Detail	Variance
Net Income From Operations	(1,265,978)	848,676		(2,114,654)
Total Net Revenue				(95,393)
Net Patient Revenue			(95,393)	
Other Revenue				(694,292.00)
PPH Foundation			(294,834)	
Home Health Outreach			(150,885)	
PPNC Health Development			(116,864)	
Welcome Home Baby			(61,562)	
Other			(70,147)	
Salaries, Wages & Contract Labor				(343,673)
Volume variance			(165,889)	
Contract labor - Nursing Depts			(229,000)	
Rate & Efficiency			51,216	
Benefits				(318,222)
FICA			(193,000)	
Other			(125,222)	
Supplies				(795,477)
Volume variance			(52,895)	
Implant Patient Supply			(565,000)	
Clinical Lab			(101,000)	
DaVinci			(86,000)	
Other			9,418	
Professional Fees & Purchased Services				(78,596)
Physician Income Guarantees Not Realized			101,000	
Lab testing - Newborns			(48,000)	
Disaster Expenses			(56,000)	
Other			(75,596)	
Depreciation				184,515
Depreciation			184,515	
Other Direct Expenses				26,484
POP Building Rent			(377,000)	
Malpractice Insurance			273,000	
Foundation - Offset To Revenue			274,000	
Marketing			(88,000)	
Other			(55,516)	
Total Actual to Budget Variance for January 2008				(2,114,654)
				(2,114,654)

Supplies Expense
Year-to-Date

Account Description	Actual	Budget	Variances
Supplies surgical general	\$ 2,873,051	\$ 2,332,879	\$ (540,172)
Prosthesis	8,760,480	8,254,998	(505,482)
Other non medical	4,172,495	3,769,871	(402,624)
Supplies other medical	8,713,458	8,318,676	(394,782)
Other minor equipment	624,231	472,185	(152,046)
Supplies office/administration	666,570	625,502	(41,068)
Supplies food/meat	342,035	301,326	(40,709)
Supplies radioactive	495,413	456,668	(38,745)
Supplies oxygen/gas	186,557	154,734	(31,823)
Supplies employee apparel	79,515	54,552	(24,963)
Supplies cleaning	242,805	225,415	(17,390)
Supplies linen	19,850	15,742	(4,108)
Supplies anesthesia material	7,964	5,085	(2,879)
Supplies forms	345,944	358,205	12,261
Instruments minor equipment	231,955	245,163	13,208
Supplies iv solutions	275,112	303,656	28,544
Supplies xray material	15,390	44,760	29,370
Sutures/surgical needles	877,611	907,643	30,032
Supplies food other	1,495,209	1,548,065	52,856
Supplies surgical pack	1,030,988	1,096,672	65,684
Supplies pharmaceutical	6,851,881	7,462,854	610,973
Total	\$ 38,308,514	\$ 36,954,651	\$ (1,353,863)

→ **Da Vinci Expenses = \$283,773**

PBS Monthly Collections in Millions



FY08 Goal	\$33.1	\$33.1	\$33.1	\$33.1	\$33.1	\$33.1	\$33.1	\$33.1	\$33.1	\$33.1	\$33.1	\$33.1
Pr. Yr Actual	\$22.8	\$29.1	\$24.9	\$28.6	\$28.5	\$29.7	\$31.1	\$30.8	\$31.7	\$33.6	\$33.6	\$33.3
Curr. Yr Actual	\$30.2	\$33.6	\$30.0	\$34.1	\$33.4	\$32.4	\$34.4					

Balance Sheet
Consolidated

	Current Month	Prior Month	Prior Fiscal Year End
Assets			
Current Assets			
Cash on Hand	\$4,564,612	\$7,454,889	\$1,365,825
Cash Marketable Securities	75,114,113	68,464,790	107,847,524
Total Cash & Cash Equivalents	79,678,725	75,919,679	109,213,349
Patient Accounts Receivable	186,746,237	196,143,932	160,767,031
Allowance on Accounts	-94,007,777	-104,792,440	-81,286,268
Net Accounts Receivable	92,738,460	91,351,492	79,480,763
Inventories	7,004,411	7,003,935	7,025,980
Prepaid Expenses	5,220,154	4,910,479	2,071,008
Other	9,146,566	11,586,207	5,094,523
Total Current Assets	193,788,316	190,771,792	202,885,623
Non-Current Assets			
Restricted Assets	378,377,695	375,410,967	173,111,797
Restricted by Donor	300,765	300,765	296,184
Board Designated	16,141,523	19,045,674	0
Total Restricted Assets	394,819,983	394,757,406	173,407,981
Property Plant & Equipment	363,949,756	366,173,418	373,271,092
Accumulated Depreciation	-225,531,144	-225,267,036	-222,304,232
Construction in Process	173,245,842	169,503,671	121,244,746
Net Property Plant & Equipment	311,664,454	310,410,053	272,211,606
Investment in Related Companies	1,970,019	1,970,019	265,204
Deferred Financing Costs	20,240,721	20,307,960	17,245,255
Other Non-Current Assets	6,364,675	6,085,426	5,715,558
Total Non-Current Assets	735,059,852	733,530,864	468,845,604
Total Assets	\$928,848,168	\$924,302,656	\$671,731,227

	Current Month	Prior Month	Prior Fiscal Year End
Liabilities			
Current Liabilities			
Accounts Payable	\$22,198,771	\$21,761,957	\$27,500,989
Accrued Payroll	19,554,165	17,209,515	14,778,493
Accrued PTO	13,018,663	13,689,914	12,638,138
Accrued Interest Payable	3,172,536	1,454,870	1,906,574
Current Portion of Bonds	9,660,000	9,660,000	13,220,000
Est Third Party Settlements	-123,820	-315,752	-2,579,788
Other Current Liabilities	18,452,334	19,718,485	12,085,069
Total Current Liabilities	85,932,649	83,178,989	79,549,475
Long Term Liabilities			
Bonds & Contracts Payable	531,987,720	531,968,848	294,723,824
General Fund Balance			
Unrestricted	294,485,514	289,808,385	297,161,750
Restricted for Other Purpose	300,765	300,765	296,184
Board Designated	16,141,523	19,045,674	0
Total Fund Balance	310,927,802	309,154,824	297,457,934
Total Liabilities / Fund Balance	\$928,848,168	\$924,302,656	\$671,731,227

FISCAL YEAR 2008
Income Statement: Fiscal Year-to-Date
Consolidated – Weighted Patient Days

				Variance		\$/Weighted Pt Days		
	Actual	Budget	Variance	Volume	Rate/Eff	Actual	Budget	Variance
Statistics:								
Admissions - Acute	16,951	17,520	(569)					
Admissions - SNF	609	673	(64)					
Patient Days - Acute	66,252	67,034	(782)					
Patient Days - SNF	44,759	45,400	(641)					
ALOS - Acute	3.90	3.83	0.07					
ALOS - SNF	74.10	68.17	5.93					
Weighted Patient Days	92,335	91,945	390					
Revenue:								
Gross Revenue	\$ 812,353,222	\$ 794,956,544	\$ 17,396,678 F	\$ 3,371,940	\$ 14,024,738	\$ 8,797.89	\$ 8,646.00	\$ 151.89
Deductions from Rev	(569,361,153)	(551,529,641)	(17,831,512) U	(2,339,405)	(15,492,107)	(6,166.25)	(5,998.47)	(167.78)
Net Patient Revenue	242,992,069	243,426,903	(434,834) U	1,032,536	(1,467,370)	2,631.64	2,647.53	(15.89)
Other Oper Revenue	5,319,380	8,806,938	(3,487,558) U	37,356	(3,524,914)	57.61	95.78	(38.18)
Total Net Revenue	248,311,449	252,233,841	(3,922,392) U	1,069,892	(4,992,284)	2,689.25	2,743.31	(54.07)
Expenses:								
Salaries, Wages & Contr Labor	120,840,870	115,904,171	(4,936,699) U	(491,627)	(4,445,072)	1,308.72	1,260.58	(48.14)
Benefits	30,515,397	29,224,826	(1,290,571) U	(123,962)	(1,166,609)	330.49	317.85	(12.63)
Supplies	38,308,514	36,954,651	(1,353,863) U	(156,749)	(1,197,114)	414.89	401.92	(12.96)
Prof Fees & Purch Svc	36,239,451	36,753,261	513,810 F	(155,895)	669,705	392.48	399.73	7.25
Depreciation	12,579,107	12,431,557	(147,550) U	(52,731)	(94,819)	136.23	135.21	(1.03)
Other	14,235,355	15,450,010	1,214,655 F	(65,534)	1,280,189	154.17	168.04	13.86
Total Expenses	252,718,694	246,718,476	(6,000,218) U	(1,046,497)	(4,953,721)	2,736.98	2,683.33	(53.65)
Net Inc Before Non-Oper Income	(4,407,245)	5,515,365	(9,922,610) U	23,394	(9,946,004)	(47.73)	59.99	(107.72)
Property Tax Revenue	7,875,000	7,875,000	- -	33,403	(33,403)	85.29	85.65	(0.36)
Non-Operating Income	3,828,361	464,227	3,364,134 F	1,969	3,362,165	41.46	5.05	36.41
Net Income (Loss)	\$ 7,296,116	\$ 13,854,592	\$ (6,558,476) U	\$ 58,767	\$ (6,617,243)	\$ 79.02	\$ 150.68	\$ (71.67)
Net Income Margin	2.8%	5.2%	-2.4%					
OEBITDA Margin w/o Prop Tax	3.1%	6.8%	-3.7%					
OEBITDA Margin with Prop Tax	6.1%	9.8%	-3.7%					

F= Favorable variance
 U= Unfavorable variance

Income Statement: Month-to-Date
Consolidated – Weighted Patient Days

	Actual			Budget			Variance			Variance			\$/Weighted Pt Days		
	Actual	Budget	Variance	Volume	Rate/Eff	Actual	Budget	Variance	Volume	Rate/Eff	Actual	Budget	Variance		
Statistics:															
Admissions - Acute	2,486	2,526	(40)												
Admissions - SNF	75	97	(22)												
Patient Days - Acute	9,876	9,666	210												
Patient Days - SNF	6,448	6,546	(98)												
ALOS - Acute	3.95	3.82	0.13												
ALOS - SNF	80.60	68.19	12.41												
Weighted Patient Days	13,967	13,258	709												
Revenue:															
Gross Revenue	\$ 120,157,964	\$ 114,616,558	\$ 5,541,406 F	\$ 6,129,366	\$ (587,960)	\$ 8,602.99	\$ 8,645.09	\$ (42.10)							
Deductions from Rev	(85,159,672)	(79,522,873)	(5,636,799) U	(4,252,656)	(1,384,143)	(6,097.21)	(5,998.10)	(99.10)							
Net Patient Revenue	34,998,292	35,093,685	(95,393) U	1,876,710	(1,972,103)	2,505.78	2,646.98	(141.20)							
Other Oper Revenue	563,842	1,258,134	(694,292) U	67,281	(761,573)	40.37	94.90	(54.53)							
Total Net Revenue	35,562,134	36,351,819	(789,685) U	1,943,992	(2,733,677)	2,546.15	2,741.88	(195.72)							
Expenses:															
Salaries, Wages & Contr Labor	17,049,645	16,705,972	(343,673) U	(893,388)	549,715	1,220.71	1,260.07	39.36							
Benefits	4,531,188	4,212,966	(318,222) U	(225,297)	(92,925)	324.42	317.77	(6.65)							
Supplies	6,122,338	5,326,861	(795,477) U	(284,865)	(510,612)	438.34	401.78	(36.56)							
Prof Fees & Purch Svc	5,336,191	5,257,595	(78,595) U	(281,161)	202,565	382.06	396.56	14.50							
Depreciation	1,597,900	1,782,415	184,515 F	(95,318)	279,833	114.41	134.44	20.04							
Other	2,190,850	2,217,334	26,484 F	(118,577)	145,061	156.86	167.24	10.39							
Total Expenses	36,828,112	35,503,143	(1,324,969) U	(1,898,607)	573,638	2,636.79	2,677.87	41.07							
Net Inc Before Non-Oper Income	(1,265,978)	848,676	(2,114,654) U	45,385	(2,160,039)	(90.64)	64.01	(154.65)							
Property Tax Revenue	1,125,000	1,125,000	- -	60,162	(60,162)	80.55	84.85	(4.31)							
Non-Operating Income	1,013,956	66,319	947,637 F	3,547	944,090	72.60	5.00	67.59							
Net Income (Loss)	\$ 872,978	\$ 2,039,995	\$ (1,167,017) U	\$ 109,093	\$ (1,276,110)	\$ 62.50	\$ 153.87	\$ (91.37)							
Net Income Margin	2.3%	5.4%	-3.1%												
OEBITDA Margin w/o Prop Tax	0.9%	6.9%	-6.0%												
OEBITDA Margin with Prop Tax	3.8%	9.9%	-6.1%												

F= Favorable variance
U= Unfavorable variance

Income Statement: Current vs. Prior Year-to-Date
Consolidated – Weighted Patient Days

				Variance		\$/Weighted Pt Days		
	January 08 YTD	January 07 YTD	Variance	Volume	Rate/Eff	Actual	Budget	Variance
Statistics:								
Admissions - Acute	16,951	16,957	(6)					
Admissions - SNF	609	688	(79)					
Patient Days - Acute	66,252	65,384	868					
Patient Days - SNF	44,759	45,357	(598)					
ALOS - Acute	3.90	3.82	0.08					
ALOS - SNF	74.10	67.30	6.80					
Weighted Patient Days	92,335	89,980	2,355					
Revenue:								
Gross Revenue	\$ 812,353,222	\$ 719,196,488	\$ 93,156,734 F	\$ 18,823,158	\$ 74,333,576	\$ 8,797.89	\$ 7,992.85	\$ 805.04
Deductions from Rev	(569,361,153)	(498,246,893)	(71,114,260) U	(13,040,358)	(58,073,902)	(6,166.25)	(5,537.31)	(628.95)
Net Patient Revenue	242,992,069	220,949,595	22,042,474 F	5,782,799	16,259,675	2,631.64	2,455.54	176.09
Other Oper Revenue	5,319,380	6,094,062	(774,682) U	159,497	(934,179)	57.61	67.73	(10.12)
Total Net Revenue	248,311,449	227,043,657	21,267,792 F	5,942,296	15,325,496	2,689.25	2,523.27	165.98
Expenses:								
Salaries, Wages & Contr Labor	120,840,870	107,475,457	(13,365,413) U	(2,812,900)	(10,552,513)	1,308.72	1,194.44	(114.29)
Benefits	30,515,397	27,102,330	(3,413,067) U	(709,335)	(2,703,732)	330.49	301.20	(29.28)
Supplies	38,308,514	35,056,585	(3,251,929) U	(917,518)	(2,334,411)	414.89	389.60	(25.28)
Prof Fees & Purch Svc	36,239,451	29,988,719	(6,250,732) U	(784,879)	(5,465,853)	392.48	333.28	(59.20)
Depreciation	12,579,107	11,547,296	(1,031,811) U	(302,221)	(729,590)	136.23	128.33	(7.90)
Other	14,235,355	12,591,518	(1,643,837) U	(329,551)	(1,314,286)	154.17	139.94	(14.23)
Total Expenses	252,718,694	223,761,905	(28,956,789) U	(5,856,405)	(23,100,384)	2,736.98	2,486.80	(250.18)
Net Inc Before Non-Oper Income	(4,407,245)	3,281,752	(7,688,997) U	85,892	(7,774,889)	(47.73)	36.47	(84.20)
Property Tax Revenue	7,875,000	7,379,162	495,838 F	193,131	302,707	85.29	82.01	3.28
Non-Operating Income	3,828,361	1,457,701	2,370,660 F	38,152	2,332,508	41.46	16.20	25.26
Net Income (Loss)	\$ 7,296,116	\$ 12,118,615	\$ (4,822,499) U	\$ 317,174	\$ (5,139,673)	\$ 79.02	\$ 134.68	\$ (55.66)
Net Income Margin	2.8%	5.0%	-2.2%					
OEBITDA Margin w/o Prop Tax	3.1%	6.1%	-3.0%					
OEBITDA Margin with Prop Tax	6.1%	9.2%	-3.1%					

F= Favorable variance
U= Unfavorable variance

FISCAL YEAR 2008
Income Statement: Fiscal Year Projection
 Consolidated – Weighted Patient Days

				Variance		\$/Weighted Pt Days		
	7 Act + 5 Bud	FY 08 Budget	Variance	Volume	Rate/Eff	Actual	Budget	Variance
Statistics:								
Admissions - Acute	29,258	29,827	(569)					
Admissions - SNF	1,083	1,147	(64)					
Patient Days - Acute	113,329	114,111	(782)					
Patient Days - SNF	76,622	77,263	(641)					
Weighted Patient Days	156,905	156,515	390					
Revenue:								
Gross Revenue	\$ 1,370,661,943	\$ 1,353,265,267	\$ 17,396,678 F	\$ 3,372,031	\$ 14,024,645	\$ 8,735.62	\$ 8,646.23	\$ 89.38
Deductions from Rev	(956,714,579)	(938,883,067)	(17,831,512) U	(2,339,484)	(15,492,028)	(6,097.41)	(5,998.68)	(98.74)
Net Patient Revenue	413,947,364	414,382,200	(434,834) U	1,032,547	(1,467,383)	2,638.20	2,647.56	(9.35)
Other Oper Revenue	11,610,048	15,097,606	(3,487,558) U	37,620	(3,525,178)	73.99	96.46	(22.47)
Total Net Revenue	425,557,412	429,479,806	(3,922,392) U	1,070,167	(4,992,561)	2,712.20	2,744.02	(31.82)
Expenses:								
Salaries, Wages & Contr Labor	202,290,857	197,354,158	(4,936,700) U	(491,762)	(4,444,937)	1,289.26	1,260.93	(28.33)
Benefits	51,047,718	49,757,147	(1,290,571) U	(123,984)	(1,166,587)	325.34	317.91	(7.43)
Supplies	64,268,136	62,914,273	(1,353,863) U	(156,768)	(1,197,095)	409.60	401.97	(7.63)
Prof Fees & Purch Svc	60,415,020	60,928,830	513,810 F	(151,821)	665,631	385.04	389.28	4.24
Depreciation	21,491,182	21,343,632	(147,550) U	(53,184)	(94,366)	136.97	136.37	(0.60)
Other	25,179,307	26,393,963	1,214,656 F	(65,768)	1,280,424	160.47	168.64	8.16
Total Expenses	424,692,220	418,692,003	(6,000,218) U	(1,043,286)	(4,956,931)	2,706.68	2,675.09	(31.59)
Net Inc Before Non-Oper Income	865,192	10,787,803	(9,922,610) U	26,881	(9,949,492)	5.51	68.93	(63.41)
Property Tax Revenue	13,500,000	13,500,000	- -	33,639	(33,639)	86.04	86.25	(0.21)
Non-Operating Income	4,159,958	795,822	3,364,134 F	1,983	3,362,153	26.51	5.08	21.43
Net Income (Loss)	\$ 18,525,150	\$ 25,083,625	\$ (6,558,476) U	\$ 62,503	\$ (6,620,978)	\$ 118.07	\$ 160.26	\$ (42.20)
Net Income Margin	4.1%	5.6%	-1.5%					
OEBITDA Margin w/o Prop Tax	5.0%	7.1%	-2.1%					
OEBITDA Margin with Prop Tax	8.0%	10.1%	-2.1%					

F= Favorable variance
 U= Unfavorable variance

Income Statement: Monthly Trend
Consolidated

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	YTD
Statistics:								
Admissions - Acute	2,378	2,480	2,369	2,386	2,420	2,432	2,486	16,951
Admissions - SNF	98	83	95	82	79	97	75	609
Patient Days - Acute	9,000	9,910	9,617	9,161	9,291	9,397	9,876	66,252
Patient Days - SNF	6,453	6,703	6,262	6,200	6,252	6,441	6,448	44,759
LOS - Acute	3.77	4.03	4.03	3.85	3.84	3.82	3.95	3.90
LOS - SNF	74.17	77.94	63.90	68.89	90.61	68.52	80.60	74.10
Weighted Patient Days	12,587	13,756	13,284	12,775	12,969	13,000	13,967	92,335
Adjusted Discharges	3,283	3,357	3,250	3,272	3,305	3,357	3,458	23,279
Revenue:								
Gross Revenue	\$ 111,773,221	\$ 122,404,049	\$ 116,030,872	\$ 113,082,612	\$ 114,581,236	\$ 114,323,264	\$ 120,157,964	\$ 812,353,222
Deductions from Rev	(78,069,250)	(86,911,029)	(80,952,920)	(79,532,906)	(78,791,347)	(79,944,031)	(85,159,672)	(569,361,153)
Net Patient Revenue	33,703,971	35,493,020	35,077,952	33,549,706	35,789,889	34,379,233	34,998,292	242,992,069
Other Oper Revenue	701,388	986,768	719,079	1,046,518	644,683	657,106	563,842	5,319,380
Total Net Revenue	34,405,359	36,479,788	35,797,031	34,596,224	36,434,572	35,036,339	35,562,134	248,311,449
Expenses:								
Salaries, Wages & Contr Labor	16,158,669	16,464,478	16,477,521	17,451,691	17,312,652	19,926,214	17,049,645	120,840,870
Benefits	4,208,437	4,396,919	4,327,260	4,393,500	4,252,006	4,406,086	4,531,188	30,515,397
Supplies	4,942,769	5,720,791	5,111,919	5,436,382	5,624,615	5,349,701	6,122,338	38,308,514
Prof Fees & Purch Svc	4,291,556	5,235,293	5,463,126	5,405,362	5,518,907	4,989,017	5,336,191	36,239,451
Depreciation	1,787,630	1,785,978	1,804,198	1,804,702	1,911,015	1,887,683	1,597,900	12,579,107
Other	2,455,357	1,944,304	1,937,161	2,125,075	1,797,432	1,785,175	2,190,850	14,235,355
Total Expenses	33,844,418	35,547,763	35,121,185	36,616,712	36,416,627	38,343,876	36,828,112	252,718,694
Net Inc Before Non-Oper Income	560,941	932,026	675,846	(2,020,488)	17,945	(3,307,537)	(1,265,978)	(4,407,245)
Property Tax Revenue	1,125,000	1,125,000	1,125,000	1,125,000	1,125,000	1,125,000	1,125,000	7,875,000
Non-Operating Income	331,466	517,863	795,728	174,686	918,390	76,272	1,013,956	3,828,361
Net Income (Loss)	\$ 2,017,407	\$ 2,574,888	\$ 2,596,574	\$ (720,802)	\$ 2,061,335	\$ (2,106,265)	\$ 872,978	7,296,116
Net Income Margin	5.8%	5.8%	7.3%	-2.1%	5.2%	-5.7%	2.3%	2.8%
OEBITDA Margin w/o Prop Tax	6.8%	6.1%	7.0%	-0.6%	4.9%	-3.8%	0.9%	3.1%
OEBITDA Margin with Prop Tax	10.1%	8.6%	10.1%	2.6%	7.7%	-0.8%	3.8%	6.1%

FISCAL YEAR 2008
Income Statement: Fiscal Year-to-Date
Consolidated – Adjusted Discharge

				Variance		\$/Adjusted Discharges		
	Actual	Budget	Variance	Volume	Rate/Eff	Actual	Budget	Variance
Statistics:								
Admissions - Acute	16,951	17,520	(569)					
Admissions - SNF	609	673	(64)					
Patient Days - Acute	66,252	67,034	(782)					
Patient Days - SNF	44,759	45,400	(641)					
ALOS - Acute	3.90	3.83	0.07					
ALOS - SNF	74.10	68.17	5.93					
Adjusted Discharges	23,279	23,730	(451)					
Revenue:								
Gross Revenue	\$ 812,353,222	\$ 794,956,544	\$ 17,396,678 F	\$ (15,108,529)	\$ 32,505,207	\$34,896.40	\$ 33,500.07	\$ 1,396.33
Deductions from Rev	(569,361,153)	(551,529,641)	(17,831,512) U	10,482,085	(28,313,597)	(24,458.14)	(23,241.87)	(1,216.27)
Net Patient Revenue	242,992,069	243,426,903	(434,834) U	(4,626,445)	4,191,611	10,438.25	10,258.19	180.06
Other Oper Revenue	5,319,380	8,806,938	(3,487,558) U	(167,380)	(3,320,178)	228.51	371.13	(142.63)
Total Net Revenue	248,311,449	252,233,841	(3,922,392) U	(4,793,825)	871,433	10,666.76	10,629.32	37.43
Expenses:								
Salaries, Wages & Contr Labor	120,840,870	115,904,171	(4,936,699) U	2,202,814	(7,139,513)	5,190.98	4,884.29	(306.69)
Benefits	30,515,397	29,224,826	(1,290,571) U	555,432	(1,846,003)	1,310.86	1,231.56	(79.30)
Supplies	38,308,514	36,954,651	(1,353,863) U	702,341	(2,056,204)	1,645.63	1,557.30	(88.33)
Prof Fees & Purch Svc	36,239,451	36,753,261	513,810 F	698,513	(184,703)	1,556.74	1,548.81	(7.93)
Depreciation	12,579,107	12,431,557	(147,550) U	236,268	(383,818)	540.36	523.88	(16.49)
Other	14,235,355	15,450,010	1,214,655 F	293,635	921,020	611.51	651.08	39.56
Total Expenses	252,718,694	246,718,476	(6,000,218) U	4,689,003	(10,689,221)	10,856.08	10,396.90	(459.18)
Net Inc Before Non-Oper Income	(4,407,245)	5,515,365	(9,922,610) U	(104,822)	(9,817,788)	(189.32)	232.42	(421.74)
Property Tax Revenue	7,875,000	7,875,000	- -	(149,668)	149,668	338.29	331.86	6.43
Non-Operating Income	3,828,361	464,227	3,364,134 F	(8,823)	3,372,957	164.46	19.56	144.89
Net Income (Loss)	\$ 7,296,116	\$ 13,854,592	\$ (6,558,476) U	\$ (263,313)	\$ (6,295,163)	\$ 313.42	\$ 583.84	\$ (270.42)
Net Income Margin	2.8%	5.2%	-2.4%					
OEBITDA Margin w/o Prop Tax	3.1%	6.8%	-3.7%					
OEBITDA Margin with Prop Tax	6.1%	9.8%	-3.7%					

F= Favorable variance
 U= Unfavorable variance

Income Statement: Month-to-Date
Consolidated – Adjusted Discharge

				Variance		\$/Adjusted Discharges		
	Actual	Budget	Variance	Volume	Rate/Eff	Actual	Budget	Variance
Statistics:								
Admissions - Acute	2,486	2,526	(40)					
Admissions - SNF	75	97	(22)					
Patient Days - Acute	9,876	9,666	210					
Patient Days - SNF	6,448	6,546	(98)					
ALOS - Acute	3.95	3.82	0.13					
ALOS - SNF	80.60	68.19	12.41					
Adjusted Discharges	3,458	3,424	34					
Revenue:								
Gross Revenue	\$ 120,157,964	\$ 114,616,558	\$ 5,541,406 F	\$ 1,138,132	\$ 4,403,274	\$34,747.82	\$ 33,474.46	\$ 1,273.36
Deductions from Rev	(85,159,672)	(79,522,873)	(5,636,799) U	(789,655)	(4,847,144)	(24,626.86)	(23,225.14)	(1,401.72)
Net Patient Revenue	34,998,292	35,093,685	(95,393) U	348,477	(443,870)	10,120.96	10,249.32	(128.36)
Other Oper Revenue	563,842	1,258,134	(694,292) U	12,493	(706,785)	163.05	367.45	(204.39)
Total Net Revenue	35,562,134	36,351,819	(789,685) U	360,970	(1,150,655)	10,284.02	10,616.77	(332.75)
Expenses:								
Salaries, Wages & Contr Labor	17,049,645	16,705,972	(343,673) U	(165,889)	(177,784)	4,930.49	4,879.08	(51.41)
Benefits	4,531,188	4,212,966	(318,222) U	(41,834)	(276,388)	1,310.35	1,230.42	(79.93)
Supplies	6,122,338	5,326,861	(795,477) U	(52,895)	(742,582)	1,770.49	1,555.74	(214.74)
Prof Fees & Purch Svc	5,336,191	5,257,595	(78,595) U	(52,207)	(26,389)	1,543.14	1,535.51	(7.63)
Depreciation	1,597,900	1,782,415	184,515 F	(17,699)	202,214	462.09	520.57	58.48
Other	2,190,850	2,217,334	26,484 F	(22,018)	48,502	633.56	647.59	14.03
Total Expenses	36,828,112	35,503,143	(1,324,969) U	(352,543)	(972,426)	10,650.12	10,368.91	(281.21)
Net Inc Before Non-Oper Income	(1,265,978)	848,676	(2,114,654) U	8,427	(2,123,081)	(366.10)	247.86	(613.96)
Property Tax Revenue	1,125,000	1,125,000	- -	11,171	(11,171)	325.33	328.56	(3.23)
Non-Operating Income	1,013,956	66,319	947,637 F	659	946,978	293.22	19.37	273.85
Net Income (Loss)	\$ 872,978	\$ 2,039,995	\$ (1,167,017) U	\$ 20,257	\$ (1,187,274)	\$ 252.45	\$ 595.79	\$ (343.34)
Net Income Margin	2.3%	5.4%	-3.1%					
OEBITDA Margin w/o Prop Tax	0.9%	6.9%	-6.0%					
OEBITDA Margin with Prop Tax	3.8%	9.9%	-6.1%					

F= Favorable variance
U= Unfavorable variance

FISCAL YEAR 2008
Income Statement: Current vs. Prior Year-to-Date
Consolidated – Adjusted Discharges

				Variance		\$/Adjusted Discharges		
	January 08 YTD	January 07 YTD	Variance	Volume	Rate/Eff	Actual	Budget	Variance
Statistics:								
Admissions - Acute	16,951	16,957	(6)					
Admissions - SNF	609	688	(79)					
Patient Days - Acute	66,252	65,384	868					
Patient Days - SNF	44,759	45,357	(598)					
ALOS - Acute	3.90	3.82	0.08					
ALOS - SNF	74.10	67.30	6.80					
Adjusted Discharges	23,279	23,226	53					
Revenue:								
Gross Revenue	\$ 812,353,222	\$ 719,196,488	\$ 93,156,734 F	\$ 1,641,153	\$ 91,515,581	\$34,896.40	\$ 30,965.15	\$ 3,931.25
Deductions from Rev	(569,361,153)	(498,246,893)	(71,114,260) U	(1,136,962)	(69,977,298)	(24,458.14)	(21,452.12)	(3,006.03)
Net Patient Revenue	242,992,069	220,949,595	22,042,474 F	504,190	21,538,284	10,438.25	9,513.03	925.22
Other Oper Revenue	5,319,380	6,094,062	(774,682) U	13,906	(788,588)	228.51	262.38	(33.88)
Total Net Revenue	248,311,449	227,043,657	21,267,792 F	518,097	20,749,695	10,666.76	9,775.41	891.35
Expenses:								
Salaries, Wages & Contr Labor	120,840,870	107,475,457	(13,365,413) U	(245,251)	(13,120,162)	5,190.98	4,627.38	(563.61)
Benefits	30,515,397	27,102,330	(3,413,067) U	(61,845)	(3,351,222)	1,310.86	1,166.90	(143.96)
Supplies	38,308,514	35,056,585	(3,251,929) U	(79,997)	(3,171,932)	1,645.63	1,509.37	(136.26)
Prof Fees & Purch Svc	36,239,451	29,988,719	(6,250,732) U	(68,432)	(6,182,300)	1,556.74	1,291.17	(265.57)
Depreciation	12,579,107	11,547,296	(1,031,811) U	(26,350)	(1,005,461)	540.36	497.17	(43.19)
Other	14,235,355	12,591,518	(1,643,837) U	(28,733)	(1,615,104)	611.51	542.13	(69.38)
Total Expenses	252,718,694	223,761,905	(28,956,789) U	(510,608)	(28,446,181)	10,856.08	9,634.11	(1,221.97)
Net Inc Before Non-Oper Income	(4,407,245)	3,281,752	(7,688,997) U	7,489	(7,696,486)	(189.32)	141.30	(330.62)
Property Tax Revenue	7,875,000	7,379,162	495,838 F	16,839	478,999	338.29	317.71	20.58
Non-Operating Income	3,828,361	1,457,701	2,370,660 F	3,326	2,367,334	164.46	62.76	101.69
Net Income (Loss)	\$ 7,296,116	\$ 12,118,615	\$ (4,822,499) U	\$ 27,654	\$ (4,850,153)	\$ 313.42	\$ 521.77	\$ (208.35)
Net Income Margin	2.8%	5.0%	-2.2%					
OEBITDA Margin w/o Prop Tax	3.1%	6.1%	-3.0%					
OEBITDA Margin with Prop Tax	6.1%	9.2%	-3.1%					

F= Favorable variance
 U= Unfavorable variance

FISCAL YEAR 2008
Income Statement: Fiscal Year Projection
Consolidated – Adjusted Discharges

				Variance		\$/Adjusted Discharges		
	7 Act + 5 Bud	FY 08 Budget	Variance	Volume	Rate/Eff	Actual	Budget	Variance
Statistics:								
Admissions - Acute	29,258	29,827	(569)					
Admissions - SNF	1,083	1,147	(64)					
Patient Days - Acute	113,329	114,111	(782)					
Patient Days - SNF	76,622	77,263	(641)					
Adjusted Discharges	39,946	40,397	(451)					
Revenue:								
Gross Revenue	\$ 1,370,661,943	\$ 1,353,265,267	\$ 17,396,678 F	\$ (15,108,118)	\$ 32,504,794	\$ 34,312.87	\$ 33,499.15	\$ 813.72
Deductions from Rev	(956,714,579)	(938,883,067)	(17,831,512) U	10,481,874	(28,313,386)	(23,950.20)	(23,241.41)	(708.79)
Net Patient Revenue	413,947,364	414,382,200	(434,834) U	(4,626,244)	4,191,408	10,362.67	10,257.75	104.93
Other Oper Revenue	11,610,048	15,097,606	(3,487,558) U	(168,553)	(3,319,005)	290.64	373.73	(83.09)
Total Net Revenue	425,557,412	429,479,806	(3,922,392) U	(4,794,796)	872,402	10,653.32	10,631.48	21.84
Expenses:								
Salaries, Wages & Contr Labor	202,290,857	197,354,158	(4,936,699) U	2,203,300	(7,139,999)	5,064.11	4,885.37	(178.74)
Benefits	51,047,718	49,757,147	(1,290,571) U	555,499	(1,846,070)	1,277.92	1,231.70	(46.21)
Supplies	64,268,136	62,914,273	(1,353,863) U	702,387	(2,056,250)	1,608.88	1,557.40	(51.48)
Prof Fees & Purch Svc	60,415,020	60,928,830	513,809 F	680,221	(166,411)	1,512.42	1,508.25	(4.17)
Depreciation	21,491,182	21,343,632	(147,550) U	238,284	(385,834)	538.01	528.35	(9.66)
Other	25,179,307	26,393,963	1,214,656 F	294,667	919,989	630.33	653.36	23.03
Total Expenses	424,692,220	418,692,003	(6,000,218) U	4,674,359	(10,674,576)	10,631.66	10,364.43	(267.23)
Net Inc Before Non-Oper Income	865,192	10,787,803	(9,922,610) U	(120,437)	(9,802,174)	21.66	267.04	(245.39)
Property Tax Revenue	13,500,000	13,500,000	-	(150,717)	150,717	337.96	334.18	3.77
Non-Operating Income	4,159,958	795,822	3,364,134 F	(8,885)	3,373,021	104.14	19.70	84.44
Net Income (Loss)	\$ 18,525,150	\$ 25,083,625	\$ (6,558,476) U	\$ (280,038)	\$ (6,278,437)	\$ 463.75	\$ 620.93	\$ (157.17)
Net Income Margin	4.1%	5.6%	-1.5%					
OEBITDA Margin w/o Prop Tax	5.0%	7.1%	-2.1%					
OEBITDA Margin with Prop Tax	8.0%	10.1%	-2.1%					

F= Favorable variance
 U= Unfavorable variance

Statement of Cash Flows

	<u>January</u>	<u>YTD</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Income (Loss) from operations	(1,265,978)	(4,408,496)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation Expense	1,597,900	12,579,106
Provision for bad debts	3,663,895	22,022,313
Changes in operating assets and liabilities:		
Patient accounts receivable	(3,503,789)	(27,916,857)
Property Tax and other receivables	(1,051,362)	(19,465,168)
Inventories	(476)	36,861
Prepaid expenses and Other Non-Current assets	(309,675)	(3,328,716)
Accounts payable	436,814	(9,366,636)
Accrued compensation	1,673,399	4,610,079
Estimated settlement amounts due third-party payors	191,932	1,460,377
Other current liabilities	(141,151)	17,073,069
Net cash provided by operating activities	<u>1,291,509</u>	<u>(6,704,068)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net (purchases) sales of investments	(6,711,900)	(180,682,948)
Interest (Loss) received on investments	1,358,667	6,099,188
Investment in affiliates	<u>0</u>	<u>(2,089,587)</u>
Net cash used in investing activities	<u>(5,353,233)</u>	<u>(176,673,347)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Receipt of G.O. Bond Taxes	1,514,589	6,436,968
Receipt of District Taxes	<u>1,697,166</u>	<u>7,618,584</u>
Net cash used in non-capital financing activities	<u>3,211,755</u>	<u>14,055,552</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of property plant and equipment	(2,107,546)	(45,980,415)
Proceeds from sale of asset	0	0
Deferred Financing Costs	67,239	(15,363,719)
G.O. Bond Interest paid	0	(1,745,713)
Revenue Bond Interest paid	0	(1,856,203)
Proceeds from issuance of debt	0	246,791,175
Payments of Long Term Debt	<u>0</u>	<u>(13,220,000)</u>
Net cash used in activities	<u>(2,040,307)</u>	<u>168,625,126</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,890,276)	(696,737)
CASH AND CASH EQUIVALENTS - Beginning of period	<u>7,454,889</u>	<u>5,261,349</u>
CASH AND CASH EQUIVALENTS - End of period	<u>4,564,612</u>	<u>4,564,612</u>

Bond Covenant Ratios

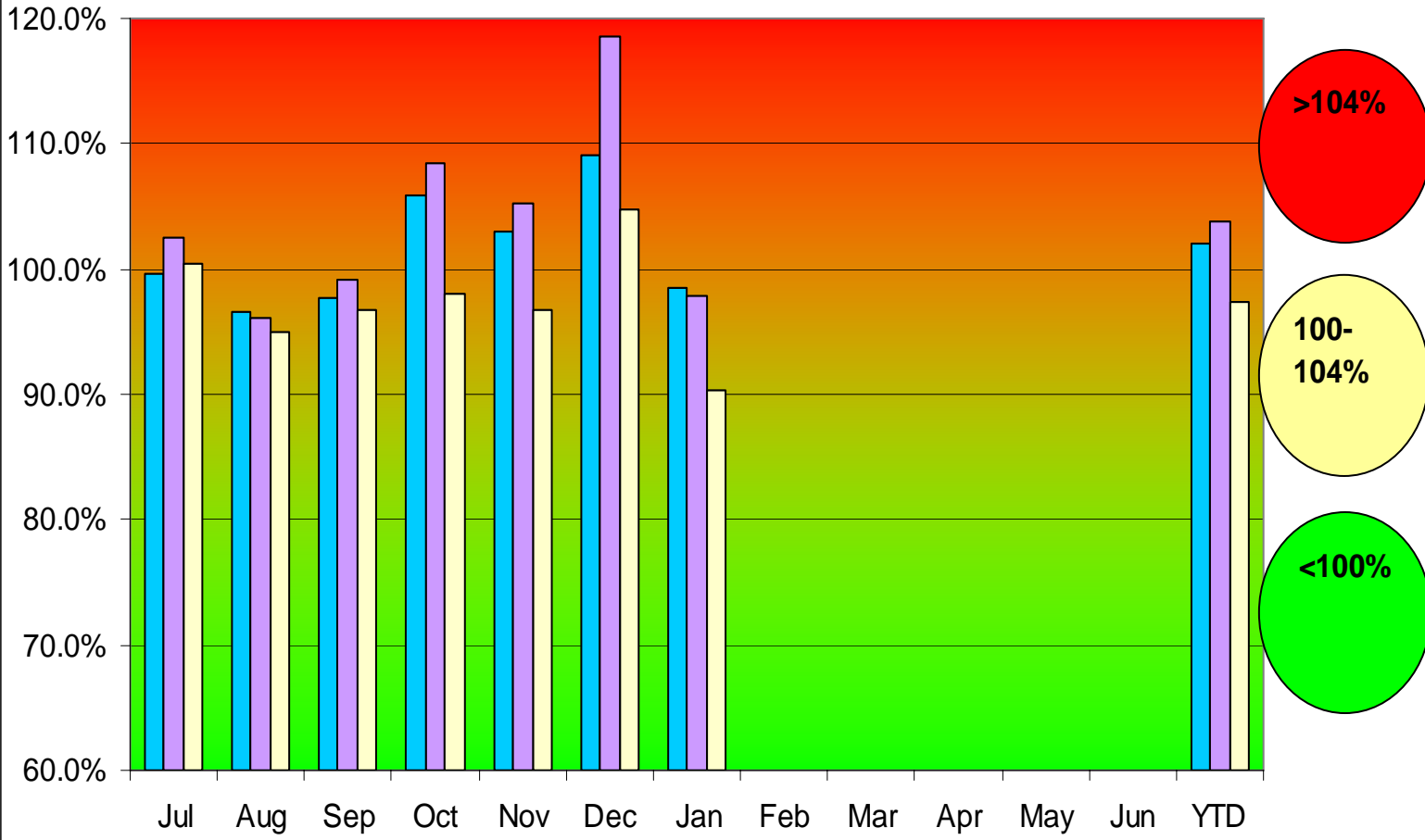
Cushion Ratio	Jun-06	Jun-07	Jan-08
Cash and Cash Equivalents	112,036,430	109,213,349	79,678,725
Board Designated Reserves	9,267,526	-	16,141,523
Trustee-held Funds	12,170,183	143,341,920	109,383,832
Total	133,474,139	252,555,269	205,204,080
Divided by:			
Max Annual Debt Service (Bond Year 2008)	10,697,594	16,972,692	16,972,692
Cushion Ratio	12.5	14.9	12.1
REQUIREMENT	1.5	1.5	1.5
	Achieved	Achieved	Achieved

Days Cash on Hand	Jun-06	Jun-07	Jan-08
Cash and Cash Equivalents	112,036,430	109,213,349	79,678,725
Board Designated Reserves	9,267,526	-	16,141,523
Total	121,303,956	109,213,349	95,820,248
Divide Total by Average Adjusted Expenses per Day			
Total Expenses	364,120,335	385,355,509	252,718,694
Less: Depreciation	18,737,467	19,453,013	12,579,107
Adjusted Expenses	345,382,868	365,902,496	240,139,587
Number of days in period	365	365	215
Average Adjusted Expenses per Day	946,254	1,002,473	1,116,928
Days Cash on Hand	128	109	86
REQUIREMENT	90	80	80
	Achieved	Achieved	Achieved

Net Income Available for Debt Service	Jun-06	Jun-07	Jan-08
Excess of revenue over expenses Cur Mo.	1,315,850	2,963,446	872,978
Excess of revenues over expenses YTD (General Funds)	11,558,633	21,974,509	7,296,116
ADD:			
Depreciation and Amortization	18,737,467	19,453,013	12,579,107
Interest Expense	4,405,929	3,343,683	2,503,890
Net Income Available for Debt Service	34,702,029	44,771,205	22,379,113
Aggregate Debt Service			
1993 Insured Refunding Revenue Bonds	3,639,772	0	0
1999 Insured Refunding Revenue Bonds	6,950,508	8,249,916	4,813,016
2006 Certificates of Participation		4,373,342	4,373,342
Aggregate Debt Service	10,590,280	12,623,258	9,186,358
Net Income Available for Debt Service	3.28	3.55	2.44
Required Coverage	1.15	1.15	1.15
	Achieved	Achieved	Achieved

Total Consolidated Financial Indicators BSC-FY08

■ % exp /wtd pt day ■ % SWB/wt pt day ■ % Prod FTE/AOB



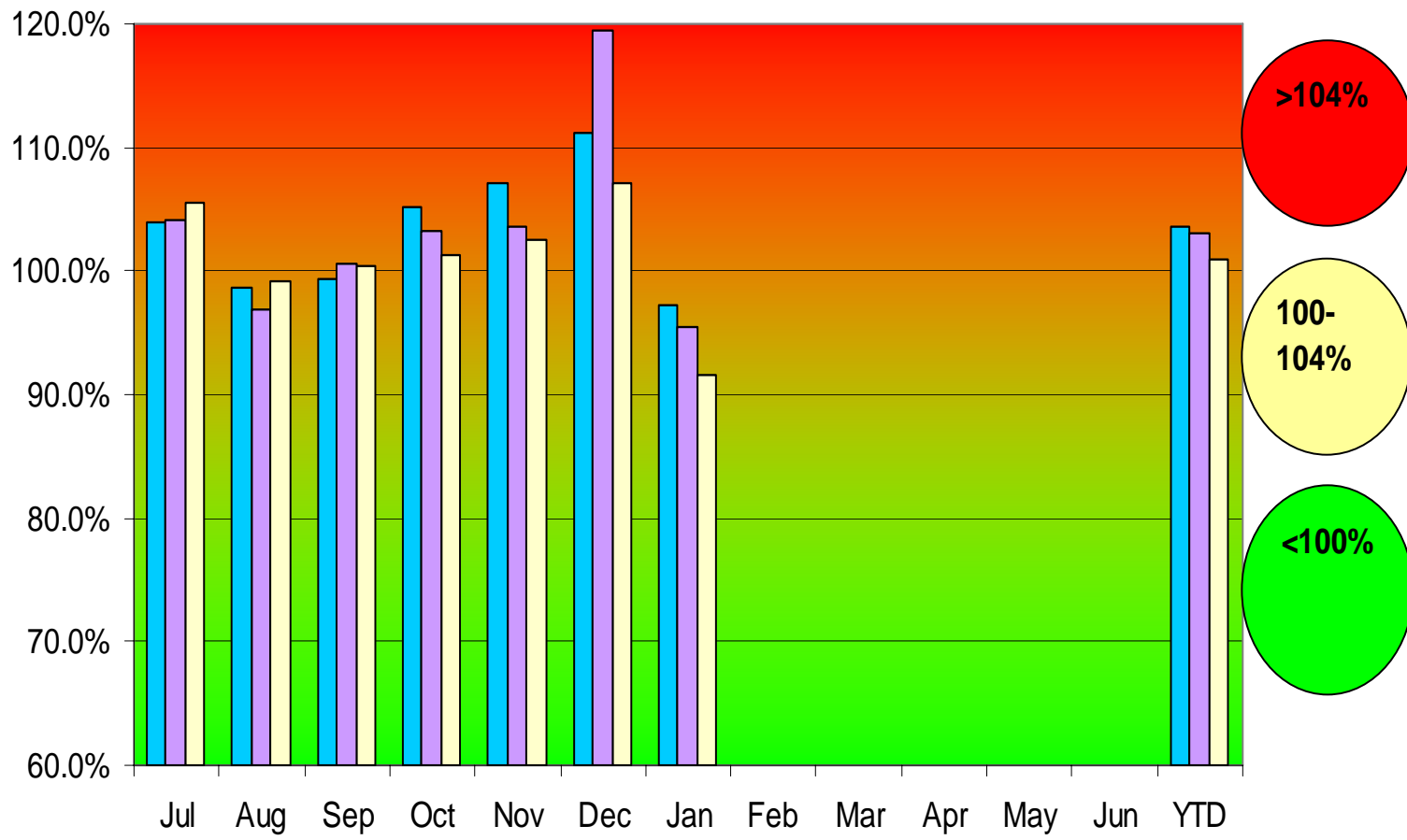
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North Consolidated Financial Indicators BSC-FY08

■ % exp /wtd pt day ■ % SWB/wt pt day ■ % Prod FTE/AOB



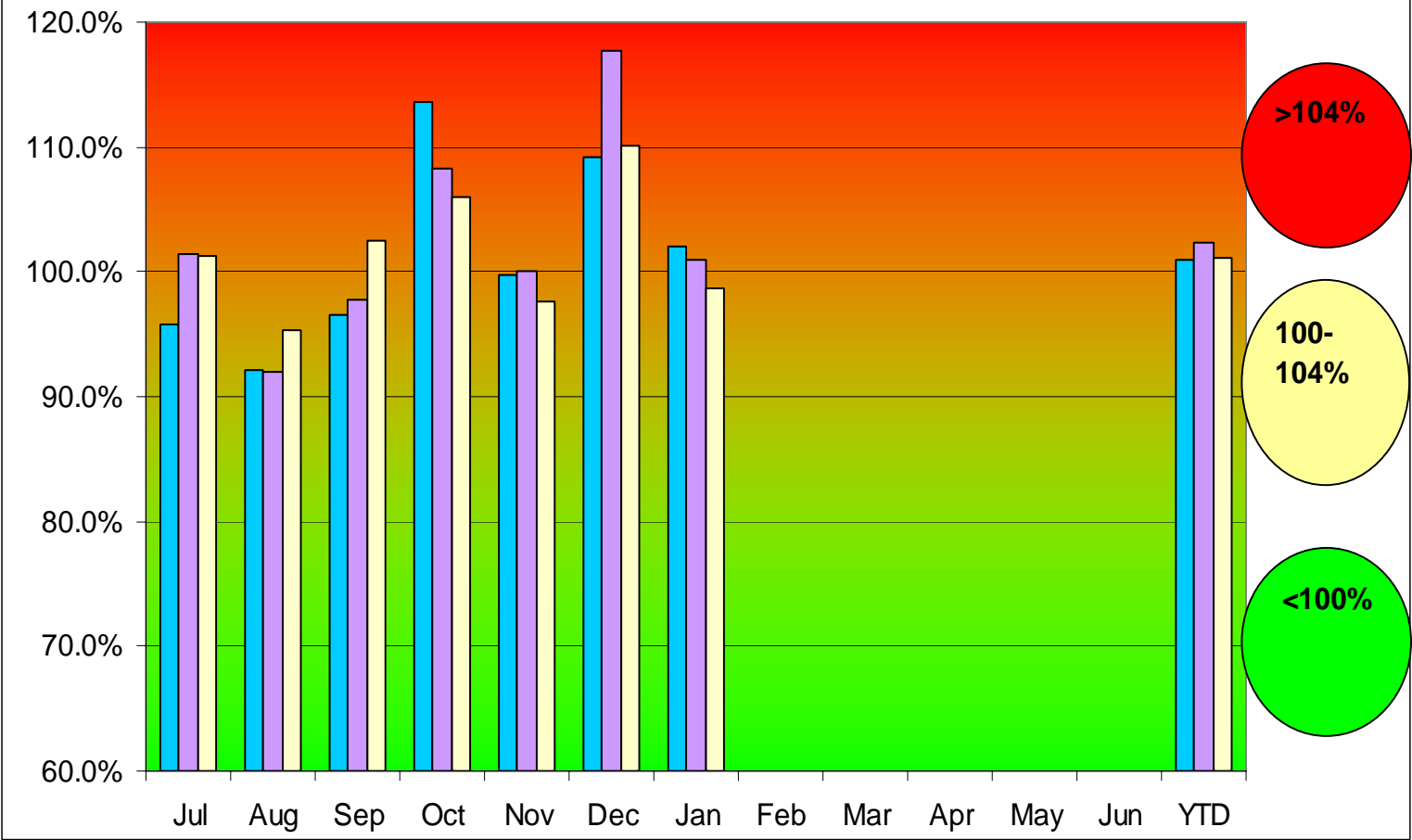
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South Consolidated Financial Indicators BSC-FY08

■ % exp /wtd pt day ■ % SWB/wt pt day ■ % Prod FTE/AOB



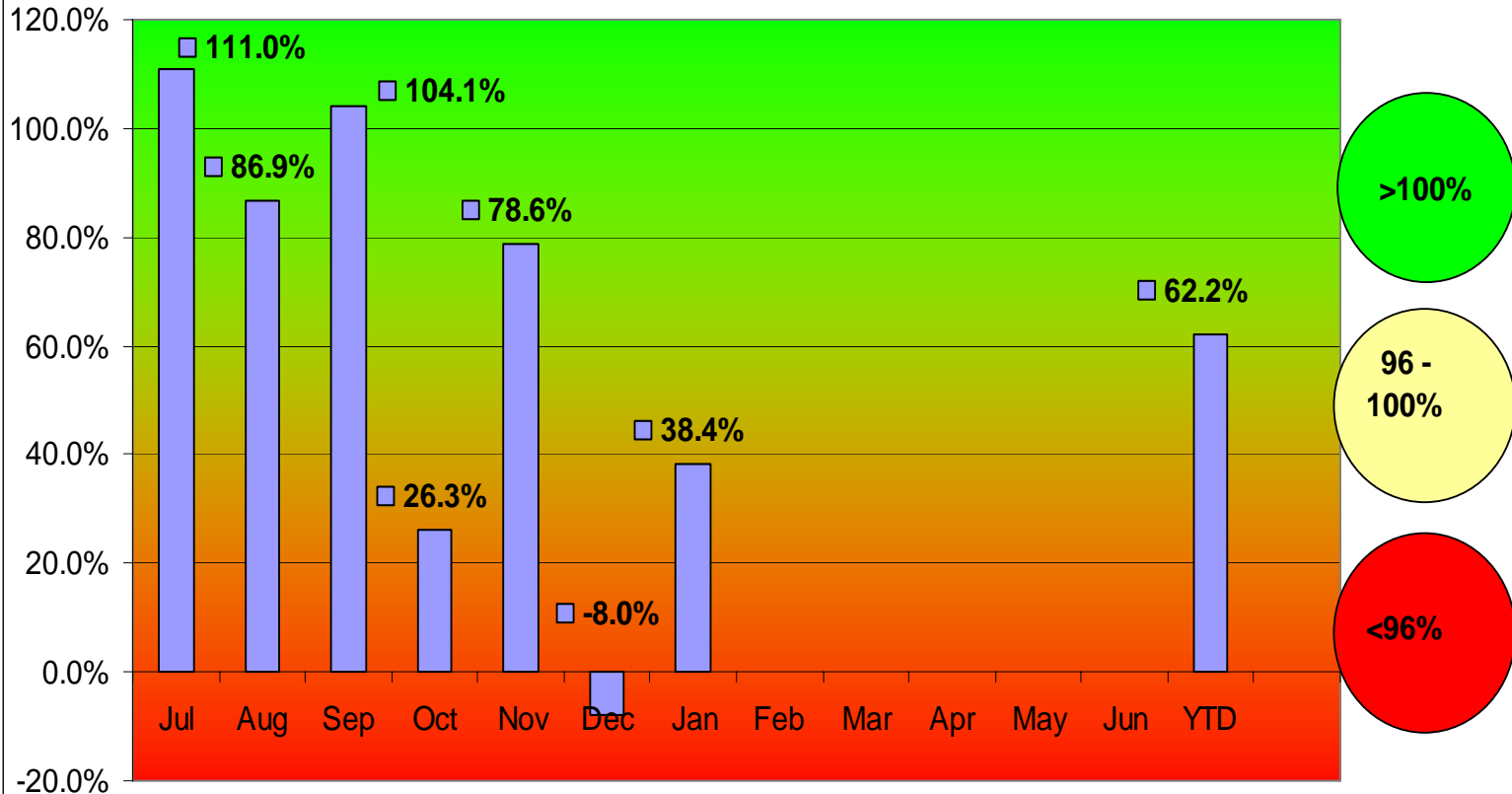
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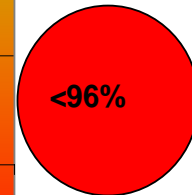
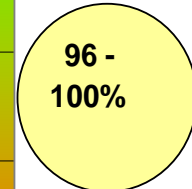
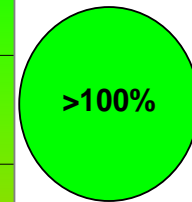
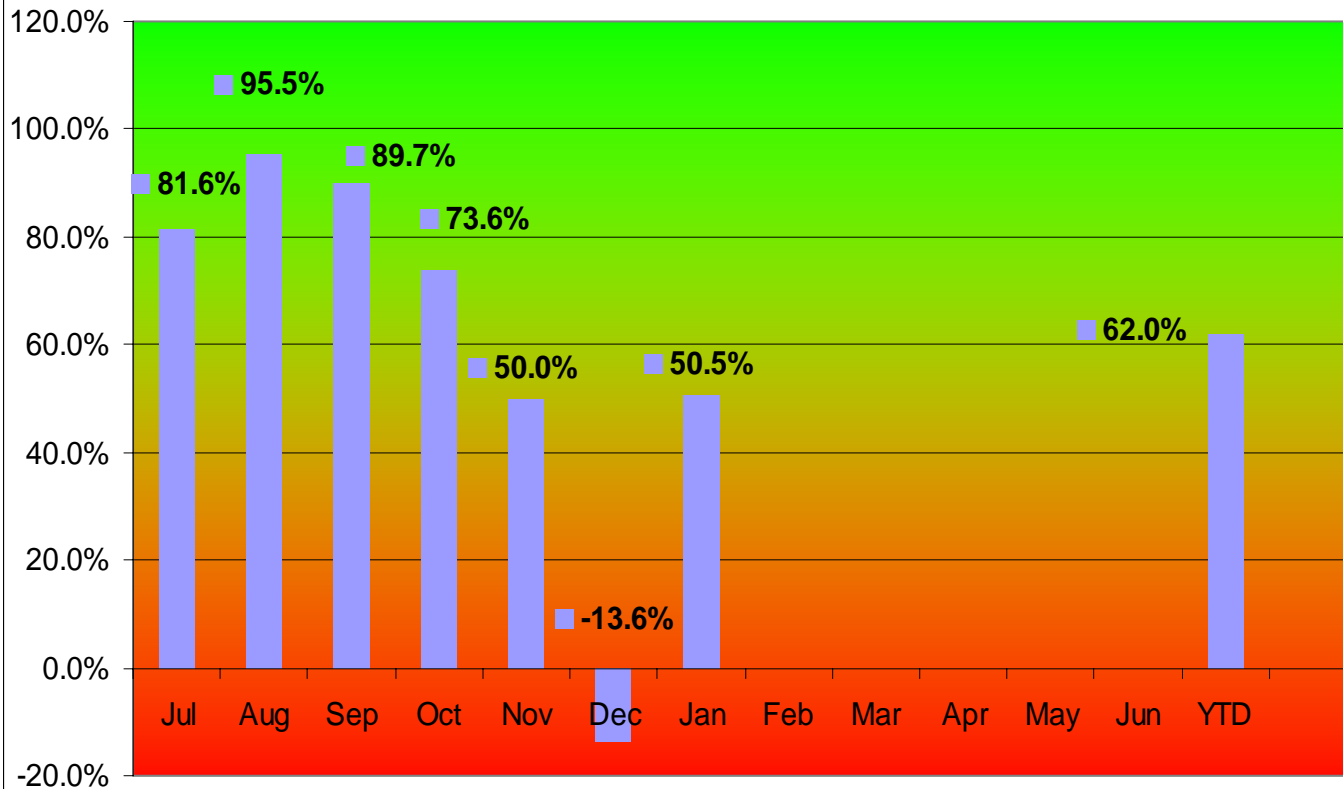
Total Consolidated OEBITDA w/ Prop Taxes -FY08

■ % of Actual to Budget

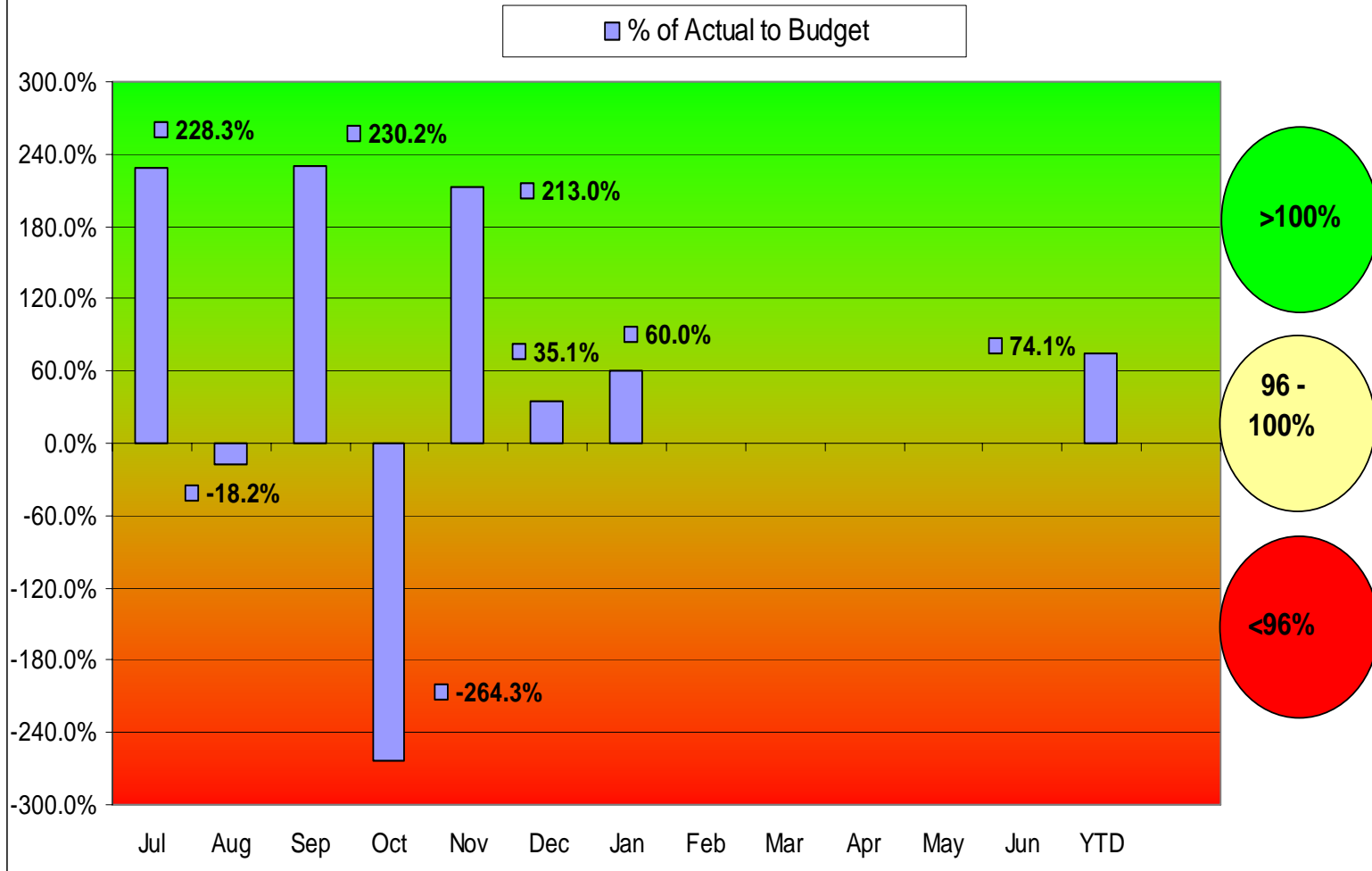


North Consolidated OEBITDA w/ Prop Taxes - FY08

■ % of Actual to Budget



South Consolidated OEBITDA w/ Prop Taxes - FY08



Revenue Cycle Key Indicators
Trend Report



Revenue Cycle Key Indicators Trending Report

	Current Month End	Most Recent Month End	Previous Month End	Current Fiscal Year Year-to-Date	Most Recent Year End	Prior Year Y-T-D	Change from Prior Month
Period Ending Days in Period	1/31/2008 31	12/31/2007 31	11/30/2007 30	1/31/2008 215	6/30/2007 365	1/31/2007 215	
Revenue							
Gross for Month (Month to Date)	118,313,389	112,502,936	111,744,594	\$ 794,845,292	\$ 1,205,732,433	\$ 701,209,352	\$ 5,810,453
Net Revenue	35,730,643	\$ 33,661,402	\$ 34,728,969	\$ 237,872,845	\$ 371,016,682	\$ 212,361,387	\$ 2,069,241
Net:Gross %	30.2%	29.9%	31.1%	29.9%	30.8%	30.3%	0.3%
Last 3 Month Daily Average (Gross)	3,723,488	\$ 3,638,574	\$ 3,685,478	\$ 3,696,955	\$ 3,303,377	\$ 3,261,439	\$ 84,915
Last 3 Month Daily Average (Net)	1,131,750	1,099,780	1,115,601	1,106,385	1,016,484	987,727	31,970
Cash Collections							
Month to Date	34,370,722	32,376,467	33,428,875	\$ 228,123,136	\$ 357,733,249	\$ 194,764,758	\$ 1,994,255
Month to Date Goal	34,036,853	33,582,023	33,806,264	233,107,064	358,561,284	209,160,749	454,829
Over (under) Goal	333,869	(1,205,556)	(377,389)	\$ (4,983,928)	\$ (828,035)	\$ (14,395,991)	\$ 1,539,426
% of Goal	101%	96%	99%	97.9%	99.8%	93.1%	4.6%
Point of Service Collections	295,094	205,007	258,409	\$ 1,932,761	\$ 3,244,728	\$ 1,884,444	\$ 90,087
Month to Date Goal	328,000	328,000	328,000	1,875,000	3,265,740	1,905,015	-
Over (under) Goal	\$ (32,906)	\$ (122,993)	\$ (69,591)	\$ 57,761	\$ (21,012)	\$ (20,571)	\$ 90,087
% of Goal	90.0%	62.5%	78.8%	103.1%	99.4%	98.9%	27.5%
Accounts Receivable							
0-30	\$ 83,759,963	\$ 91,763,515	\$ 100,998,909		\$ 73,718,929	\$ 93,255,153	\$ (8,003,552)
31-60	28,978,153	29,336,477	26,655,827		19,857,146	23,662,574	(358,323)
61-90	17,180,246	17,767,927	18,215,569		13,499,609	16,055,575	(587,681)
91-180	26,124,659	27,222,624	25,849,766		26,694,468	28,567,887	(1,097,964)
Over 180	22,910,978	23,439,829	25,138,857		21,653,269	28,089,865	(528,851)
Total	\$ 178,954,001	\$ 189,530,372	\$ 196,858,928		\$ 155,423,421	\$ 189,631,054	\$ (10,576,372)
A/R Days (Gross)	48.06	52.09	53.41		47.05	58.14	-4.03
% of AR aged over 180 days	12.8%	12.4%	12.8%		14%	14.8%	0.00
Number of Accounts	59,792	60,570	61,028		61,809	NA	(778)
Credit Balance Accounts:							
Dollars	\$ (1,786,521)	\$ (1,934,496)	\$ (2,287,665)		\$ (3,955,501)		\$ 147,975
Number of Accounts	1,152	1,970	1,468		1,642		(818)

Revenue Cycle Key Indicators

Trend Report



Revenue Cycle Key Indicators Trending Report

	Current Month End	Most Recent Month End	Previous Month End	Current Fiscal Year Year-to-Date	Most Recent Year End	Prior Year Y-T-D	Change from Prior Month
Period Ending	1/31/2008	12/31/2007	11/30/2007	1/31/2008	6/30/2007	1/31/2007	
Days in Period	31	31	30	215	365	215	
Accounts Receivable by Major Payer							
Medicare	40,209,105	43,023,471	43,570,604		\$ 31,212,504	\$ 36,672,909	\$ (2,814,366)
Last 3 months daily average revenue	1,040,586	980,937	976,727		965,874	744,650	\$ 59,649
Gross Days revenue outstanding	38.64	43.86	44.61		32.32	49.25	-5.22
MediCal (Includes M-Cal HMO)	27,946,463	28,574,315	28,877,573		23,655,071	27,693,724	(627,852)
Last 3 months daily average revenue	624,412	613,369	675,561		522,046	566,073	11,043
Gross Days revenue outstanding	44.76	46.59	42.75		45.31	48.92	-1.83
Comm/Managed Care (Incl Mcare HMO)	79,369,918	84,843,423	94,653,986		72,445,182	90,924,241	(5,473,505)
Last 3 months daily average revenue	1,875,933	1,873,393	1,886,724		1,679,046	1,794,766	2,539
Gross Days revenue outstanding	42.31	45.29	50.17		43.15	50.66	-2.98
Self-Pay	31,428,515	33,089,164	29,756,765		28,110,665	34,340,180	(1,660,649)
Last 3 months daily average revenue	182,557	170,875	146,466		165,713	254,183	11,683
Gross Days revenue outstanding	172.16	193.65	203.16		169.63	135.10	-21.49
Bad Debt Write-offs							
M-T-D Amount net of Recovery	4,598,857	2,854,390	1,892,415	18,113,334	28,183,764	\$ (476,380)	\$ 1,744,467
% of Gross Revenue (Target < 2%)	3.9%	2.5%	1.7%	2.3%	2.3%	-0.1%	1.3%
Charity & Undocumented Write-offs							
M-T-D Amount	1,149,039	2,331,704	1,837,963	13,396,183	13,375,244	\$ 1,928,749	\$ (1,182,666)
% of Gross Revenue (Target < 2%)	1.0%	2.1%	1.6%	1.7%	1.1%	0.3%	-1.1%
Denial & Other Admin Adjustments							
M-T-D Amount	449,194	496,745	529,594	3,659,286	3,471,349	\$ 509,661	\$ (47,550)
% of Gross Revenue (Target < 1%)	0.4%	0.4%	0.5%	0.5%	0.3%	0.1%	-0.1%

Revenue Cycle Key Indicators

Trend Report



Revenue Cycle Key Indicators Trending Report

	Current Month End	Most Recent Month End	Previous Month End	Current Fiscal Year Year-to-Date	Most Recent Year End	Prior Year Y-T-D	Change from Prior Month
Period Ending	1/31/2008	12/31/2007	11/30/2007	1/31/2008	6/30/2007	1/31/2007	
Days in Period	31	31	30	215	365	215	
Discharged Not Final Billed (DNFB)							
DNFB Action Required							
HIM (Waiting for Coding)	\$ 6,810,494	\$ 17,001,618	\$ 6,328,591		6,249,765		\$ (10,191,124)
PBS (Correction required)	853,210	771,118	823,744		18,284		\$ 82,092
Other holds requiring correction	-	-	-		-		\$ -
Total Action Required	7,663,704	17,772,736	7,152,335		6,268,049		(10,109,032)
# of AR Days action Required	2.06	4.88	1.94		1.83		-2.83
DNFB No Action Required							
4 Day Standard Delay	\$ 23,118,482	\$ 20,420,634	\$ 24,171,028		22,948,148		\$ 2,697,848
Other	2,449,285	2,787,499	2,688,420		664,451		(338,214)
Total No Action Required	25,567,767	23,208,133	26,859,448		23,612,599		2,359,634
Total DNFB	\$ 33,231,471	\$ 40,980,869	\$ 34,011,783		29,880,648		(7,749,398)
Total Days in DNFB	8.92	11.26	9.23		8.73		(2.34)

Late Charges

Late Charges from Date of Service 5 to 20 Days

Number of line items	9,562	2,076	4,142	88,368			7,486
Dollar amount of Charges	963,454	405,959	794,017	5,878,190			\$ 557,495
Dollar amount of Credits	(483,741)	(115,628)	(359,570)	(2,940,521)			\$ (368,113)
Net Dollar Amount	479,713	290,331	434,447	2,937,670			\$ 189,382
Absolute Dollar Amount	\$ 963,454	\$ 405,959	\$ 794,017	\$ 7,466,289			\$ 557,495

Late Charges from Date of Service > 21 Days

Number of line items	33,822	33,014	106,725	335,857			808
Dollar amount of Charges	631,820	568,410	394,261	4,639,508			63,409
Dollar amount of Credits	(789,088)	(422,159)	(520,654)	(7,606,198)			(366,928)
Net Dollar Amount	(157,268)	146,251	(126,394)	(2,966,689)			(303,519)
Absolute Dollar Amount	\$ 1,420,907	\$ 990,570	\$ 914,915	\$ 12,245,706			\$ 430,338

Denials:

Inventory of OPEN denials - # encounters	2,772	2,639	3,308		1,219		133
Inventory of OPEN denials - (\$ at risk)	\$ 33,745,868	\$ 33,053,616	\$ 30,470,262		\$ 21,403,453		\$ 692,252

Weekly Flash Report

February 08	Feb 1-7	Feb 8-14			MTD Total	MTD Budget	% Variance
ADC (Acute)	327	341	0	0	334	312	7.02
PMC	253	256	0	0	254	235	8.00
POM	74	85	0	0	79	76	3.99
PCCC	79	83	0	0	81	88	(7.86)
VP	126	124	0	0	125	123	1.08
Patient Days (Acute)	2,287	2,384	0	0	4,671	4,365	7.02
PMC	1,769	1,790			3,559	3,295	8.00
POM	518	594			1,112	1,069	3.99
PCCC	550	582			1,132	1,229	(7.86)
VP	879	868			1,747	1,728	1.08
Discharges	569	589	0	0	1,158	1,141	1.51
PMC	435	449			884	880	0.50
POM	134	140			274	261	4.91
Number of Surgeries	244	239	0	0	483	445	8.63
PMC	164	166			330	302	9.37
POM	80	73			153	143	7.07
Number of Births	116	111	0	0	227	210	7.85
PMC	95	89			184	168	9.21
POM	21	22			43	42	2.38

Weekly Flash Report

February 08	Feb 1-7	Feb 8-14			MTD Total	MTD Budget	% Variance
Outpatient Visits (inc	2,012	1,953	0	0	3,965	3,881	2.17
PMC	1,400	1,202			2,602	2,562	1.54
POM	612	751			1,363	1,318	3.38
ER Visits	1,897	2,061	0	0	3,958	3,349	18.17
PMC	1,308	1,432			2,740	2,233	22.69
POM	589	629			1,218	1,116	9.13
Trauma Visits	17	23	0	0	40	55	(26.68)
IP	15	22			37	46	(19.32)
OP	2	1			3	9	(65.48)
Gross IP Revenue	22,207,648	22,801,021			45,008,669	39,661,466	13.48
Gross OP Revenue	6,268,162	7,246,029			13,514,191	12,092,046	11.76
Cash Collection	7,404,989	7,096,108			14,501,097	18,180,138	(20.24)
Days cash on hand	97	94			94	80	
Prod Hrs (PP16)	228,771				228,771	224,363	(1.96)
PMC - North	132,208				132,208	129,967	(1.72)
POM - South	59,056				59,056	60,128	1.78
Others	37,507	-	-	-	37,507	34,268	(9.45)
Prod \$ (PP 16)	7,232,192				7,232,192	6,951,762	(4.03)
PMC - North	4,195,170				4,195,170	4,091,987	(2.52)
POM - South	1,789,119				1,789,119	1,728,377	(3.51)
Others	1,247,903	-	-	-	1,247,903	1,131,398	(10.30)