

# ADDENDUM C

# Financial Statements

*February 2008*

PALOMAR  
POMERADO  
HEALTH  
SPECIALIZING IN YOU

|  |       |
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**Statistics**

|                     | Jan    | Feb    | Jan vs Feb<br>% Change | Feb<br>Budget | Act vs Bud<br>% Variance |
|---------------------|--------|--------|------------------------|---------------|--------------------------|
| <b>CONSOLIDATED</b> |        |        |                        |               |                          |
| Patient Days Acute  | 9,876  | 9,970  | 1.0%                   | 9,041         | 10.3%                    |
| Patient Days SNF    | 6,448  | 5,932  | -8.0%                  | 6,125         | -3.2%                    |
| ADC Acute           | 318.59 | 343.80 | 7.9%                   | 311.78        | 10.3%                    |
| ADC SNF             | 208.00 | 204.55 | -1.7%                  | 211.21        | -3.2%                    |
| Surgeries CVS Cases | 11     | 16     | 45.5%                  | 11            | 45.5%                    |
| Surgeries Total     | 1,723  | 1,610  | -6.6%                  | 1,582         | 1.8%                     |
| Number of Births    | 427    | 442    | 3.5%                   | 436           | 1.4%                     |
| <b>NORTH</b>        |        |        |                        |               |                          |
| Patient Days Acute  | 7,351  | 7,466  | 1.6%                   | 6,826         | 9.4%                     |
| Patient Days SNF    | 2,576  | 2,355  | -8.6%                  | 2,545         | -7.5%                    |
| ADC Acute           | 237.14 | 257.46 | 8.6%                   | 235.40        | 9.4%                     |
| ADC SNF             | 83.10  | 81.21  | -2.3%                  | 87.76         | -7.5%                    |
| <b>SOUTH</b>        |        |        |                        |               |                          |
| Patient Days Acute  | 2,525  | 2,504  | -0.8%                  | 2,215         | 13.0%                    |
| Patient Days SNF    | 3,872  | 3,577  | -7.6%                  | 3,580         | -0.1%                    |
| ADC Acute           | 81.45  | 86.34  | 6.0%                   | 76.38         | 13.0%                    |
| ADC SNF             | 124.90 | 123.34 | -1.2%                  | 123.45        | -0.1%                    |

## Balance Sheet

**Current Cash & Cash Equivalents** decreased \$4.4 million from \$79.7 million in January to \$75.3 million in February. This decrease is primarily due to the increase in Construction in Progress of \$7.7 million of which \$4.5 million was reimbursed by Bond funds. Total Cash and Investments are \$89.5 million, compared to \$95.8 million at January 31, 2008. Days Cash on Hand went from 86 days in January to 80 days in February.

**Net Accounts Receivable** increased to \$94.4 million in February as compared to \$92.7 million in January. Gross A/R days increased from 49.3 days in January to 50.4 days in February.

February patient account collections including capitation are \$32.0 million compared to budget of \$33.1 million. February YTD collections are \$260.1 million compared to budget of \$264.8 million.

**Construction in Progress** increased \$7.7 million from \$173.2 million in January to \$180.9 million in February. The increase is attributed to Building Expansion A&E Services and construction costs \$5.8 million and Pomerado Outpatient Pavilion tenant improvements \$0.5 million.

**Other Current Liabilities** decreased \$0.9 million from \$18.5 million to \$17.6 million primarily due to the realization of deferred property tax revenue of \$1.1 million.

## Income Statement

**Gross Patient Revenue** for YTD reflects a favorable budget variance of \$30.6 million. The \$30.6 million favorable variance is composed of \$8.9 million unfavorable volume variance and \$39.5 million favorable rate variance based on adjusted discharges.

Routine revenue (inpatient room and board) reflects an unfavorable \$2.4 million budget variance. Inpatient Ancillary revenue represents a \$15.7 million favorable budget variance. North reflects \$7.7 million favorable variance and South reflects \$8.0 million favorable variance.

Outpatient revenue reflects a favorable budget variance of \$17.3 million. North has a \$17.8 million favorable variance. This amount is decreased by Outreach \$0.5 million unfavorable variance.

**Deductions from Revenue** reflect a YTD unfavorable variance of \$30.0 million. Total Deductions from Revenue is 70.32% of gross revenue compared to a budget of 69.38%. Deductions from Revenue (excluding Bad Debt/Charity/Undocumented expenses) is 65.83% of YTD Gross Revenue compared to budget of 65.12%.

The net capitation reflects a YTD unfavorable budget variance of \$0.9 million. Cap Premium and Out of Network Claim Expense both show a favorable budget variance of \$2.0 million and \$3.8 million, respectively. A favorable variance of Cap Premium is due to retro 2006 premium adjustments in August. Cap Valuation shows an unfavorable variance of \$6.7 million.

**Income Statement (cont'd)**

**Other Operating Revenue** reflects a YTD unfavorable budget variance of \$4.0 million. The most significant contributor to this variance is the Foundation where actual revenue is zero versus a budget of \$2.4 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 \$0.9 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 \$0.8 million and \$0.6 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 \$6.1 million. The breakdown is as follows:

|              | YTD Actual  | YTD Budget  | Variance    |
|--------------|-------------|-------------|-------------|
| Consolidated | 137,731,941 | 131,569,515 | (6,162,426) |
| North        | 79,420,933  | 76,611,703  | (2,809,230) |
| South        | 32,642,951  | 30,773,747  | (1,869,204) |
| Central      | 19,518,240  | 18,055,234  | (1,463,006) |
| Outreach     | 6,149,817   | 6,128,831   | (20,986)    |

### Income Statement (cont'd)

**Benefits Expense** has a YTD favorable budget variance of \$9.0 thousand. This variance can be broken down into the following categories: FICA – unfavorable by \$1.3 million; Health and Dental – unfavorable by \$0.7 million; Workers Compensation – favorable by \$1.0 million; Pension - favorable by \$0.1 million and All Other Benefits - favorable by \$0.9 million.

**Supplies Expense** reflects a YTD unfavorable budget variance of \$2.0 million. The unfavorable variance is composed prostheses supplies at \$0.8 million surgery general at \$0.6 million, and other supplies at \$0.6 million.

**Prof Fees & Purchased Services** reflect a YTD favorable budget variance of \$0.6 million. The favorable variance of \$1.6 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 \$1.0 million in purchase services is due to contracted purchased services.

**Non-Operating Income** reflects a YTD favorable variance of \$3.4 million. This is due to a favorable investment income variance of \$2.9 million. Interest expense is also favorable by \$0.5 million.

### Ratios & Margins

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

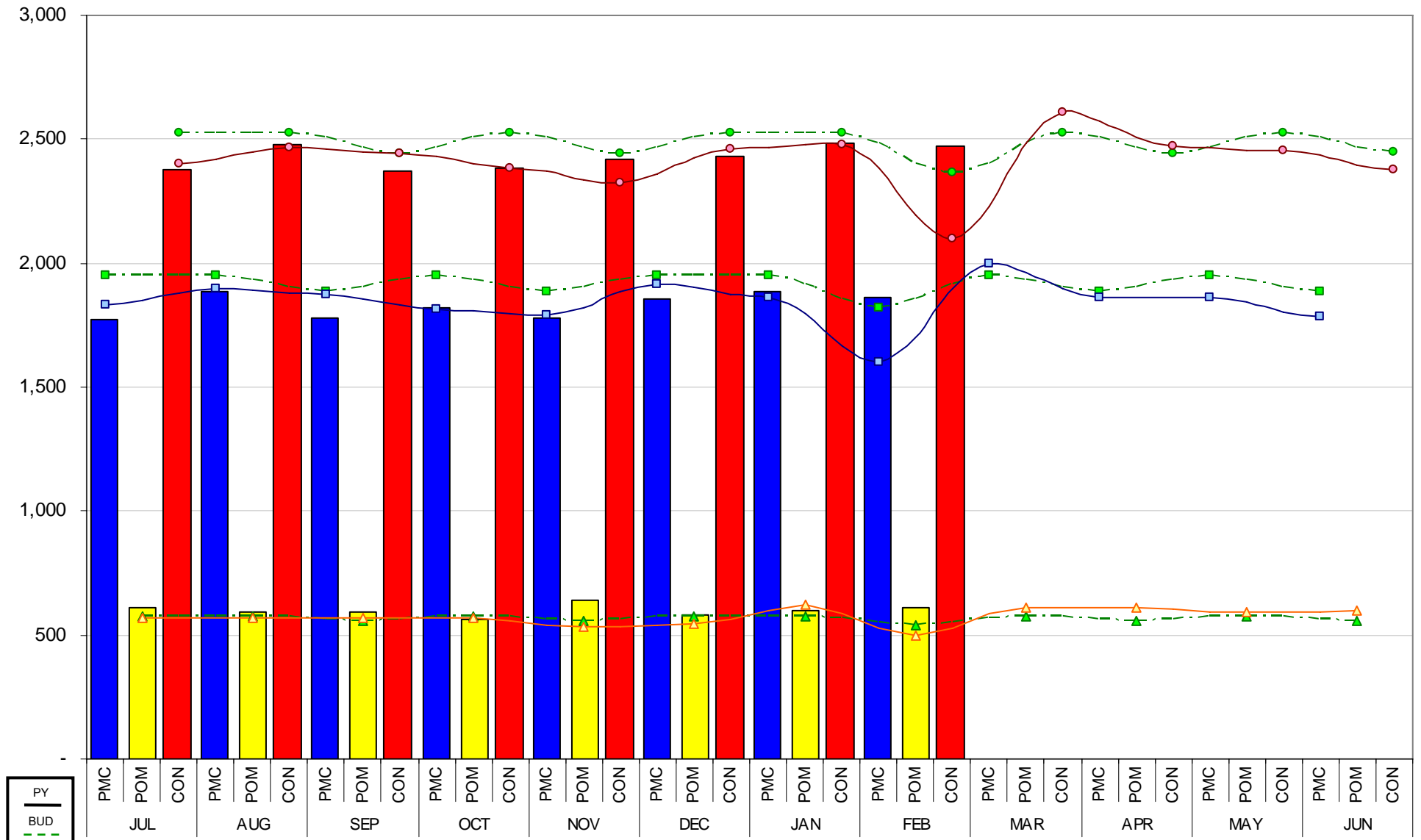


Balanced Scorecard  
Financial Indicators

| November December January February |             |             |             |             |           |                    | YTD 2008                    |          |             |                    |                   |          |
|------------------------------------|-------------|-------------|-------------|-------------|-----------|--------------------|-----------------------------|----------|-------------|--------------------|-------------------|----------|
| Actual                             | Actual      | Actual      | Actual      | Budget / PY | Variance  | % Actual to Budget | Actual                      | Budget   | Variance    | % Actual to Budget | Prior Year Actual |          |
| <b>PPH Indicators:</b>             |             |             |             |             |           |                    |                             |          |             |                    |                   |          |
| 7.7%                               | -0.8%       | 3.8%        | 9.2%        | 10.4%       | -1.2%     | 88.5%              | OEBITDA Margin w/Prop Tax   | 6.5%     | 9.8%        | -3.3%              | 66.3%             | 8.9%     |
| \$ 2,807.97                        | \$ 2,949.50 | \$ 2,636.61 | \$ 2,429.69 | \$ 2,684.53 | \$ 254.84 | 90.5%              | Expenses/Wtd Day            | 2,697.03 | \$ 2,685.40 | \$ (11.63)         | 100.4%            | 2,501.97 |
| \$ 1,662.78                        | \$ 1,871.72 | \$ 1,545.02 | \$ 1,408.08 | \$ 1,581.36 | \$ 173.28 | 89.0%              | SWB/Wtd Day                 | 1,609.00 | \$ 1,578.78 | \$ (30.22)         | 101.9%            | 1,498.99 |
| 6.41                               | 6.94        | 5.98        | 6.15        | 6.64        | 0.49      | 92.6%              | Prod FTE's/Adj Occupied Bed | 6.41     | 6.63        | 0.22               | 96.7%             | 6.02     |
| 12,969                             | 13,000      | 13,967      | 13,874      | 12,191      | 1,683     | 113.8%             | Weighted Patient Days       | 106,209  | 104,347     | 1,862              | 104.0%            | 102,171  |
| <b>PPH North Indicators:</b>       |             |             |             |             |           |                    |                             |          |             |                    |                   |          |
| 5.4%                               | -1.5%       | 5.5%        | 8.8%        | 11.3%       | -2.5%     | 77.9%              | OEBITDA Margin w/Prop Tax   | 6.9%     | 10.9%       | -4.0%              | 63.3%             | 9.1%     |
| \$ 2,739.31                        | \$ 2,824.19 | \$ 2,459.82 | \$ 2,274.22 | \$ 2,532.56 | \$ 258.34 | 89.8%              | Expenses/Wtd Day            | 2,570.88 | \$ 2,526.44 | \$ (44.44)         | 101.8%            | 2,379.68 |
| \$ 1,353.05                        | \$ 1,557.64 | \$ 1,254.22 | \$ 1,154.56 | \$ 1,315.85 | \$ 161.29 | 87.7%              | SWB/Wtd Day                 | 1,322.48 | \$ 1,308.77 | \$ (13.71)         | 101.0%            | 1,247.27 |
| 5.38                               | 5.73        | 4.90        | 5.01        | 5.36        | 0.35      | 93.5%              | Prod FTE's/Adj Occupied Bed | 5.29     | 5.29        | -                  | 100.0%            | 5.09     |
| 8,802                              | 9,151       | 9,883       | 9,793       | 8,473       | 1,320     | 115.6%             | Weighted Patient Days       | 73,983   | 72,988      | 995                | 104.5%            | 70,808   |
| <b>PPH South Indicators:</b>       |             |             |             |             |           |                    |                             |          |             |                    |                   |          |
| 11.5%                              | 2.0%        | 3.3%        | 12.3%       | 6.1%        | 6.2%      | 201.6%             | OEBITDA Margin w/Prop Tax   | 5.1%     | 5.5%        | -0.4%              | 92.7%             | 6.1%     |
| \$ 2,573.48                        | \$ 2,800.60 | \$ 2,622.56 | \$ 2,354.27 | \$ 2,568.36 | \$ 214.09 | 91.7%              | Expenses/Wtd Day            | 2,568.91 | \$ 2,575.64 | \$ 6.73            | 99.7%             | 2,408.32 |
| \$ 1,305.00                        | \$ 1,534.66 | \$ 1,314.90 | \$ 1,189.85 | \$ 1,303.88 | \$ 114.03 | 91.3%              | SWB/Wtd Day                 | 1,315.15 | \$ 1,303.39 | \$ (11.76)         | 100.9%            | 1,251.52 |
| 5.90                               | 6.65        | 5.96        | 6.06        | 6.04        | -0.02     | 100.3%             | Prod FTE's/Adj Occupied Bed | 6.13     | 6.07        | (0.06)             | 101.0%            | 5.39     |
| 3,928                              | 3,698       | 3,875       | 3,886       | 3,494       | 392       | 111.2%             | Weighted Patient Days       | 30,463   | 29,595      | 868                | 103.8%            | 29,347   |

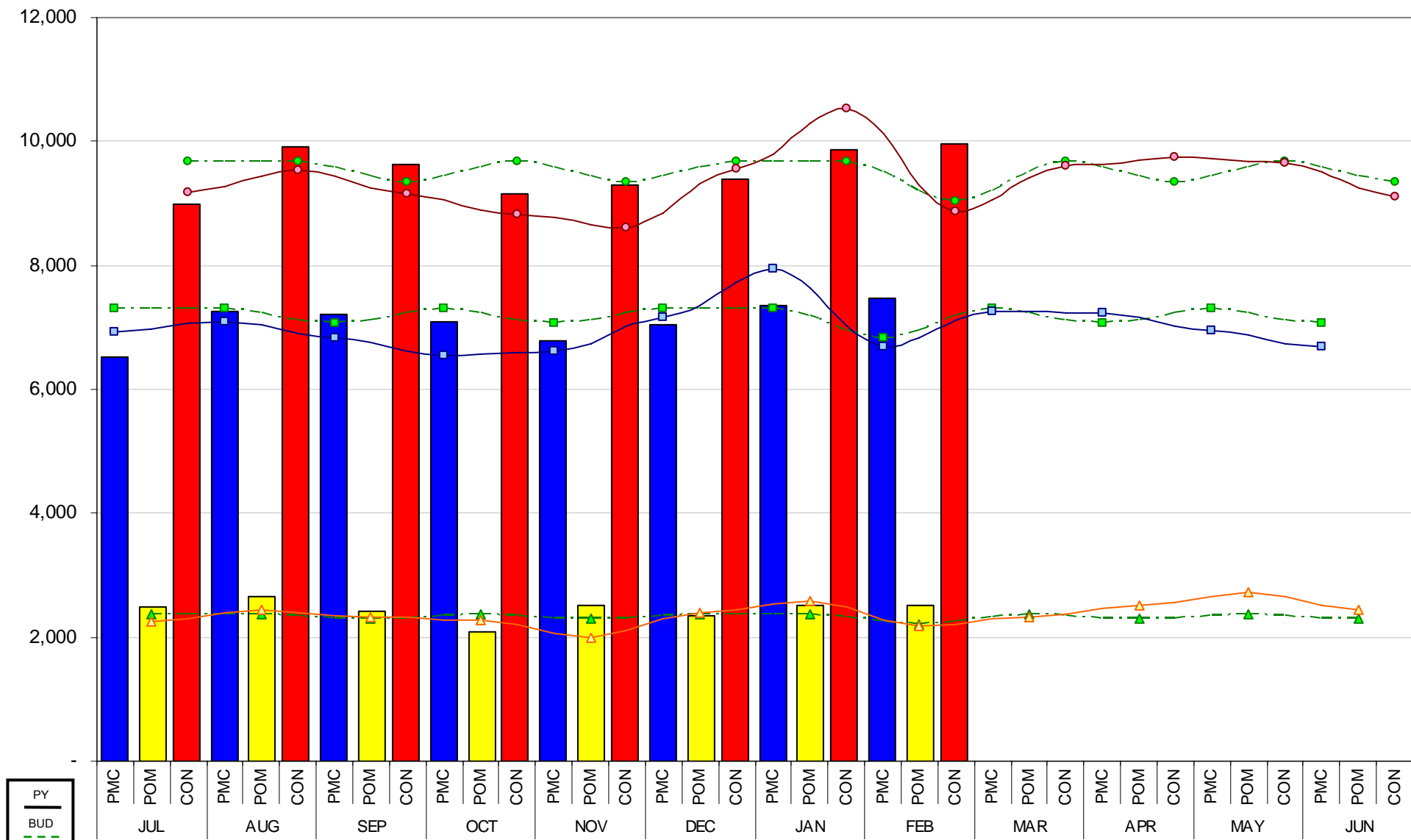
Weighted Patient Days is compared with Prior Year Actual

Statistical Indicators  
Admissions – Acute



|            | JUL   | AUG   | SEP   | OCT   | NOV   | DEC   | JAN   | FEB   | MAR | APR | MAY | JUN | YTD    | B-YTD  |
|------------|-------|-------|-------|-------|-------|-------|-------|-------|-----|-----|-----|-----|--------|--------|
| <b>PMC</b> | 1,770 | 1,885 | 1,777 | 1,823 | 1,780 | 1,853 | 1,886 | 1,864 | -   | -   | -   | -   | 14,638 | 15,332 |
| <b>POM</b> | 608   | 595   | 592   | 563   | 640   | 579   | 600   | 608   | -   | -   | -   | -   | 4,785  | 4,551  |
| <b>CON</b> | 2,378 | 2,480 | 2,369 | 2,386 | 2,420 | 2,432 | 2,486 | 2,472 | -   | -   | -   | -   | 19,423 | 19,883 |

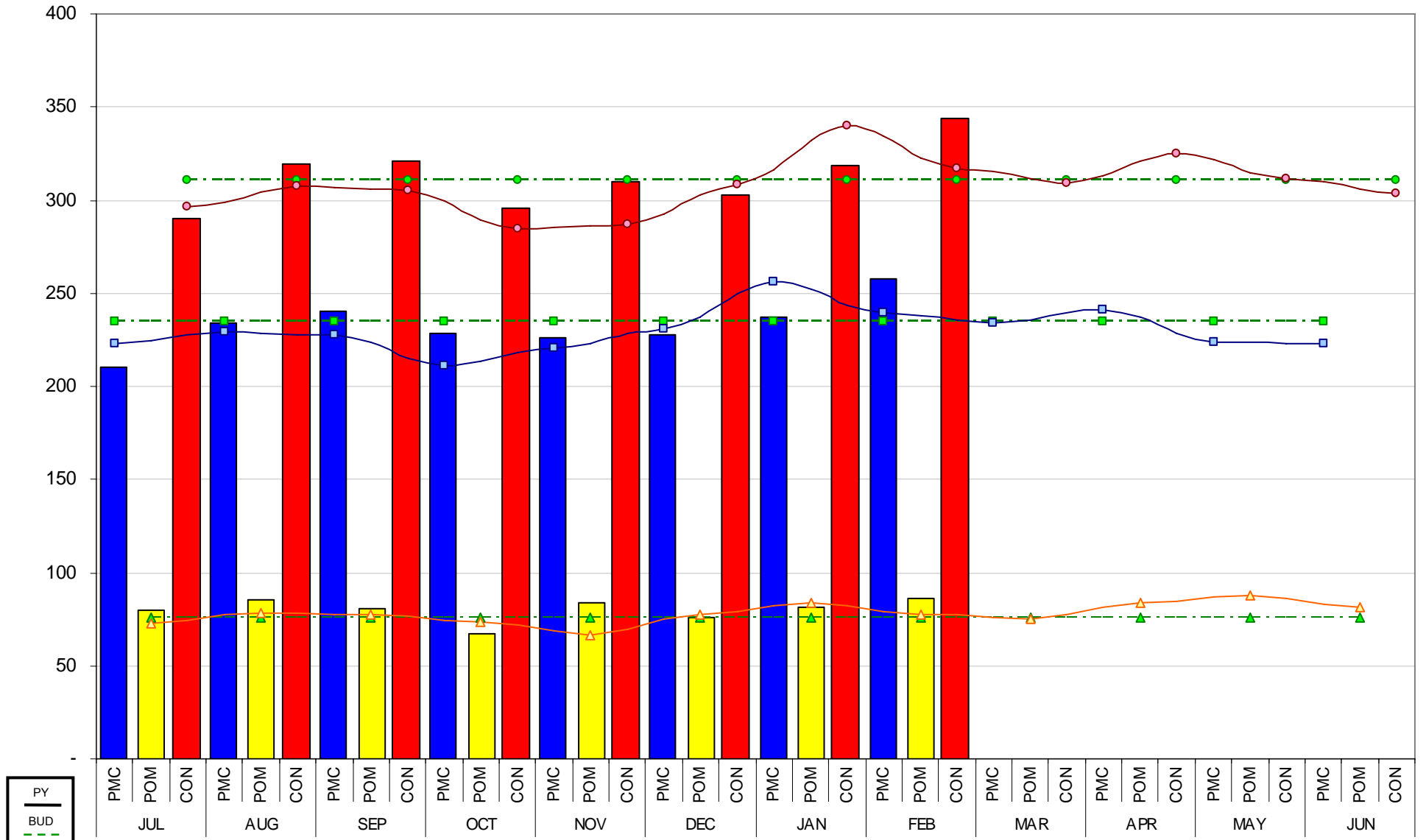
Statistical Indicators  
Patient Days – Acute



|     | JUL   |       |       | AUG   |       |       | SEP   |       |       | OCT   |       |       | NOV   |       |       | DEC   |       |       | JAN   |       |       | FEB   |       |       | MAR |     |     | APR |     |     | MAY |   |   | JUN |  |  |
|-----|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-----|-----|-----|-----|-----|-----|-----|---|---|-----|--|--|
| PY  | 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 | POM | CON | PMC | POM | CON |     |   |   |     |  |  |
| BUD | 6,516 | 2,484 | 9,000 | 7,255 | 2,655 | 9,910 | 7,205 | 2,412 | 9,617 | 7,081 | 2,080 | 9,161 | 6,789 | 2,502 | 9,291 | 7,049 | 2,348 | 9,397 | 7,351 | 2,525 | 9,876 | 7,466 | 2,504 | 9,970 | -   | -   | -   | -   | -   | -   | -   | - | - |     |  |  |

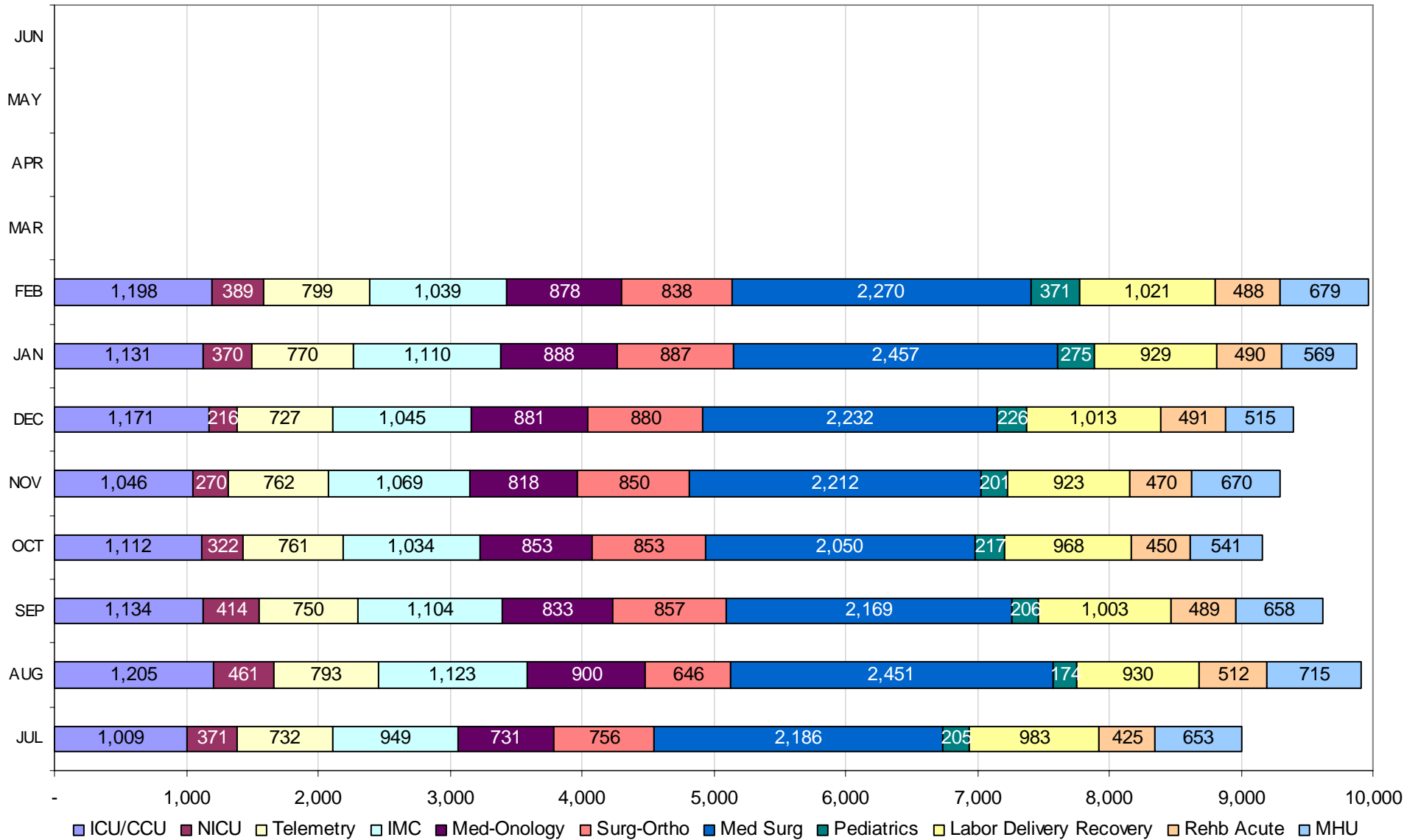
|     | JUL   | AUG   | SEP   | OCT   | NOV   | DEC   | JAN   | FEB   | MAR | APR | MAY | JUN | YTD    | B-YTD  |
|-----|-------|-------|-------|-------|-------|-------|-------|-------|-----|-----|-----|-----|--------|--------|
| PMC | 6,516 | 7,255 | 7,205 | 7,081 | 6,789 | 7,049 | 7,351 | 7,466 | -   | -   | -   | -   | 56,712 | 57,438 |
| POM | 2,484 | 2,655 | 2,412 | 2,080 | 2,502 | 2,348 | 2,525 | 2,504 | -   | -   | -   | -   | 19,510 | 18,637 |
| CON | 9,000 | 9,910 | 9,617 | 9,161 | 9,291 | 9,397 | 9,876 | 9,970 | -   | -   | -   | -   | 76,222 | 76,075 |

Statistical Indicators  
Average Daily Census – Acute



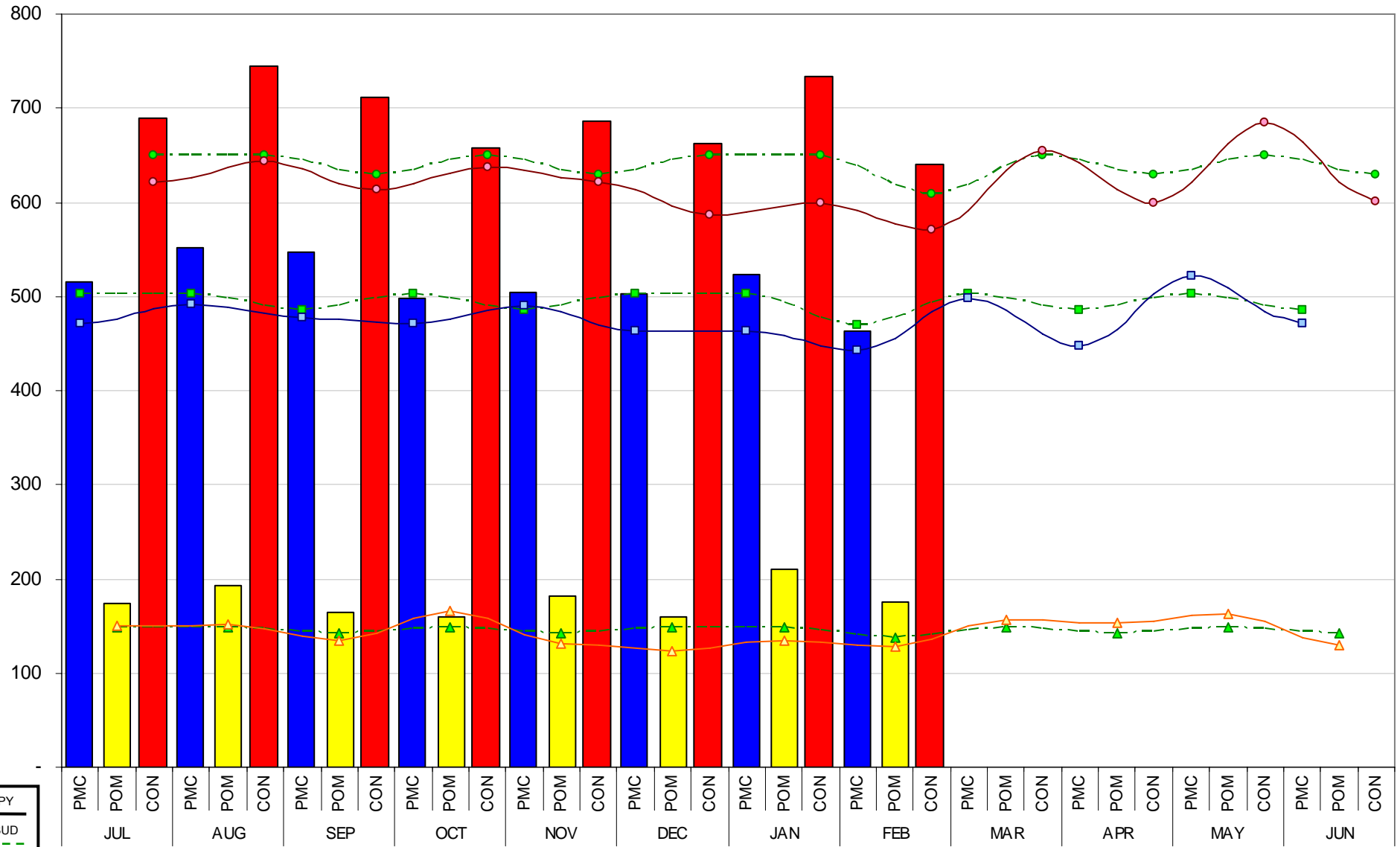
|            | JUL | AUG | SEP | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN | YTD | B-YTD |
|------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-------|
| <b>PMC</b> | 210 | 234 | 240 | 228 | 226 | 227 | 237 | 257 | -   | -   | -   | -   | 232 | 235   |
| <b>POM</b> | 80  | 86  | 80  | 67  | 83  | 76  | 81  | 86  | -   | -   | -   | -   | 80  | 76    |
| <b>CON</b> | 290 | 320 | 321 | 296 | 310 | 303 | 319 | 344 | -   | -   | -   | -   | 312 | 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 | 7,466 | -   | -   | -   | -   | 56,712 | 57,438 |
| POM | 2,484 | 2,655 | 2,412 | 2,080 | 2,502 | 2,348 | 2,525 | 2,504 | -   | -   | -   | -   | 19,510 | 18,637 |
| CON | 9,000 | 9,910 | 9,617 | 9,161 | 9,291 | 9,397 | 9,876 | 9,970 | -   | -   | -   | -   | 76,222 | 76,075 |

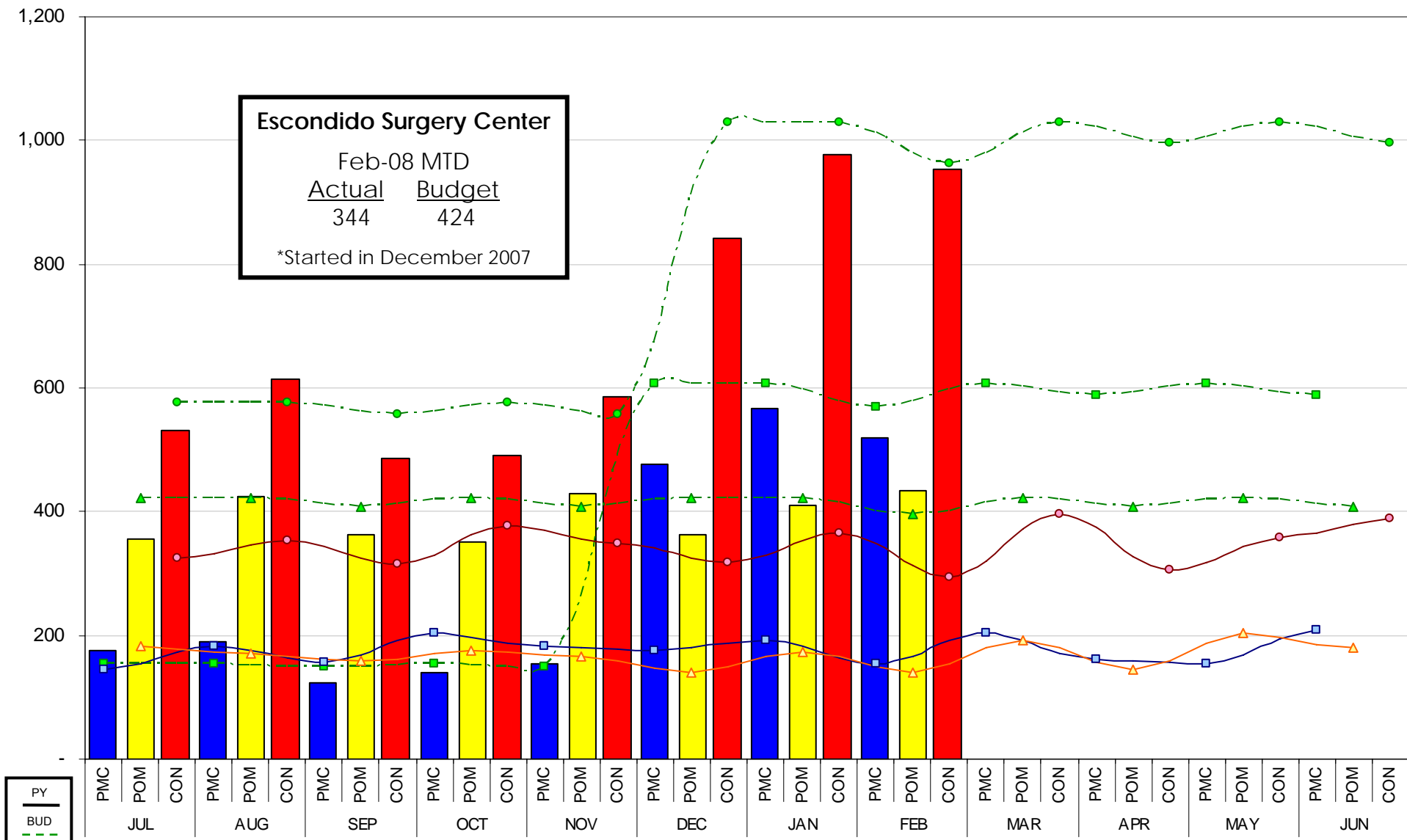
Statistical Indicators  
Surgeries – Inpatient



PY  
BUD

|     | JUL | AUG | SEP | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN | YTD   | B-YTD |
|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-------|-------|
| PMC | 516 | 552 | 547 | 498 | 504 | 502 | 524 | 464 | -   | -   | -   | -   | 4,107 | 3,952 |
| POM | 174 | 193 | 165 | 160 | 182 | 160 | 210 | 176 | -   | -   | -   | -   | 1,420 | 1,164 |
| CON | 690 | 745 | 712 | 658 | 686 | 662 | 734 | 640 | -   | -   | -   | -   | 5,527 | 5,116 |

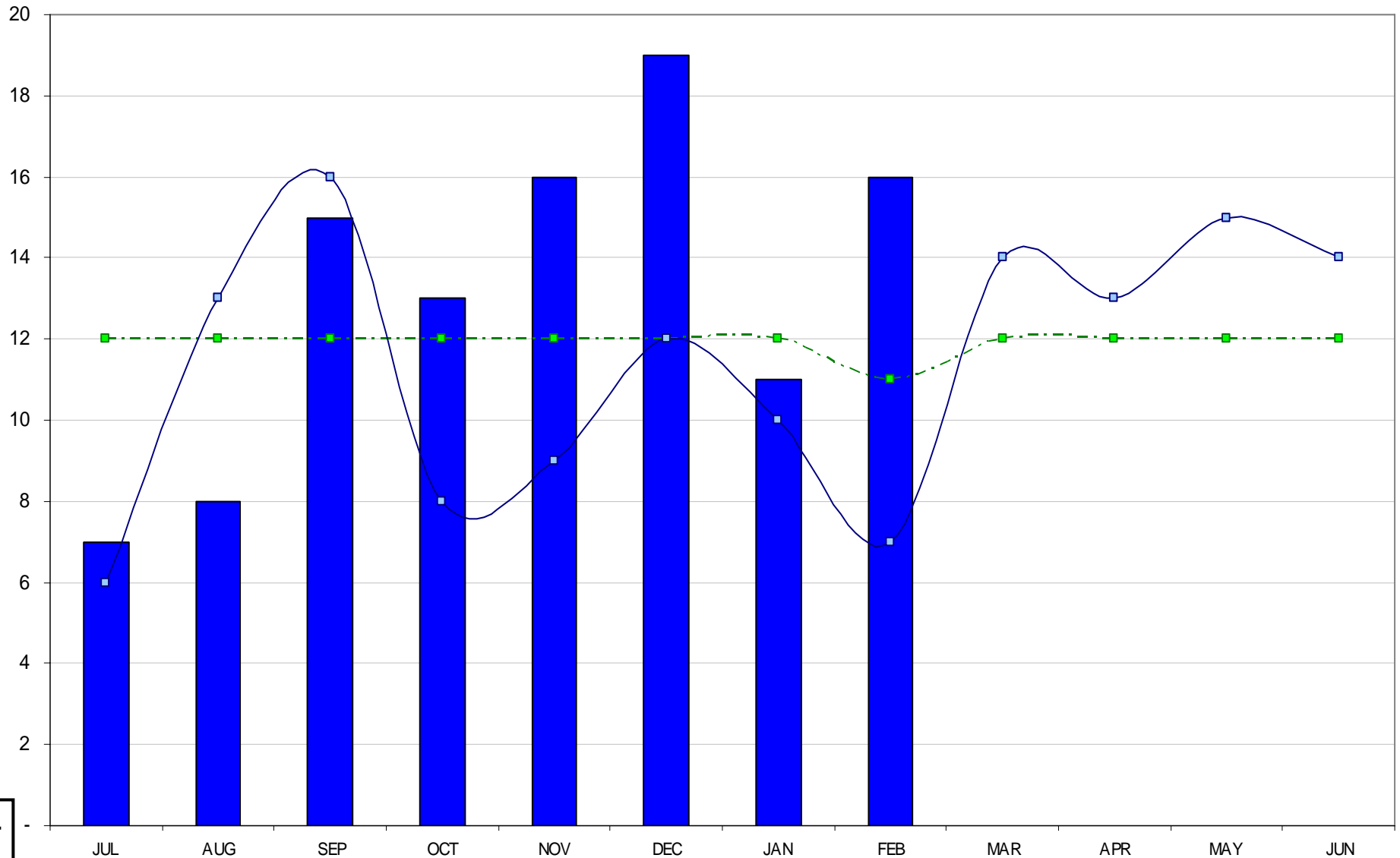
Statistical Indicators  
Surgeries – Outpatient



|            | JUL | AUG | SEP | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN | YTD   | B-YTD |
|------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-------|-------|
| <b>PMC</b> | 176 | 190 | 123 | 141 | 155 | 477 | 567 | 519 | -   | -   | -   | -   | 2,348 | 2,544 |
| <b>POM</b> | 356 | 425 | 363 | 350 | 430 | 364 | 411 | 435 | -   | -   | -   | -   | 3,134 | 3,323 |
| <b>CON</b> | 532 | 615 | 486 | 491 | 585 | 841 | 978 | 954 | -   | -   | -   | -   | 5,482 | 5,867 |

Statistical Indicators

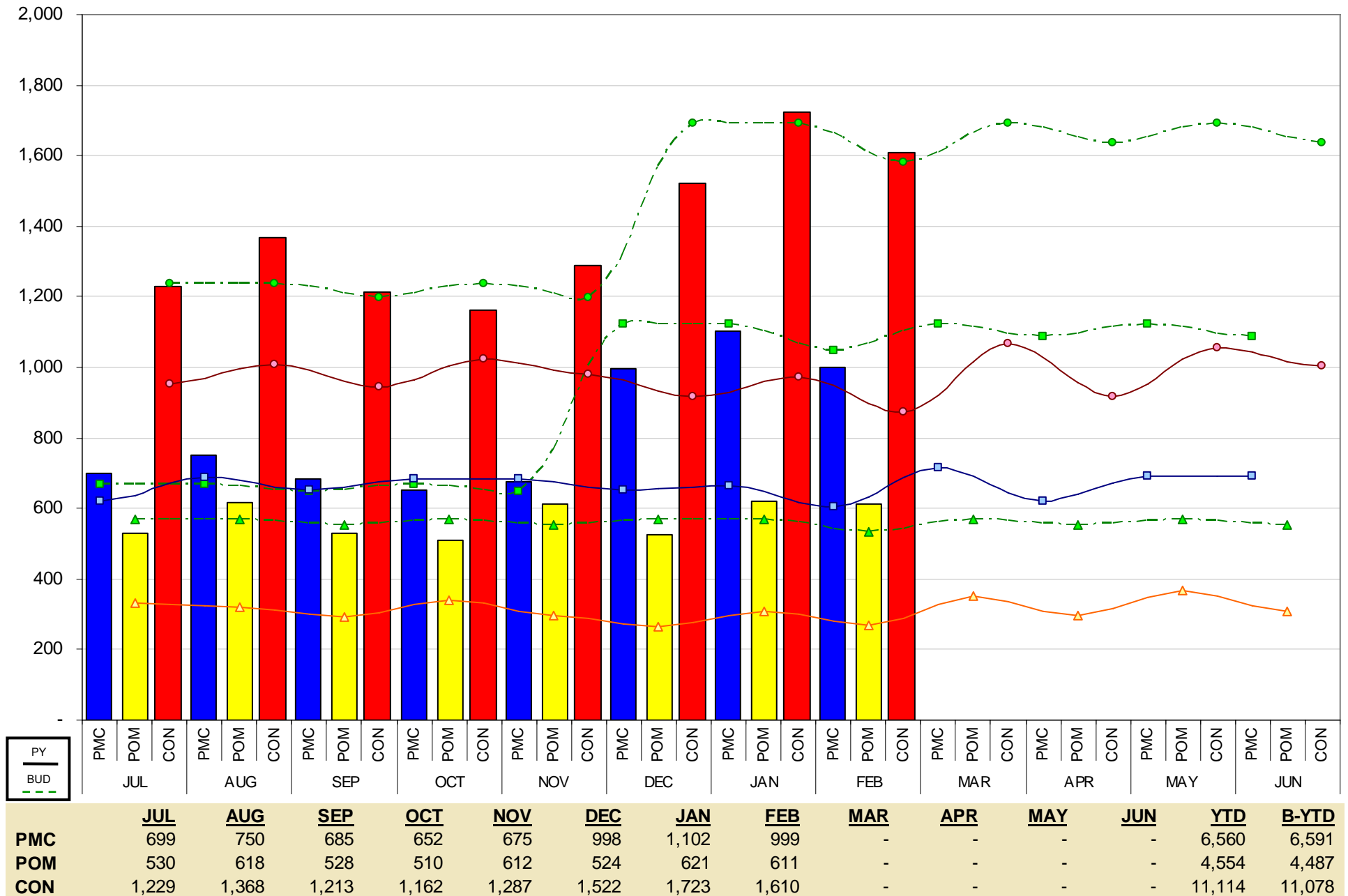
Surgeries – CVS (PMC only)



|            | JUL | AUG | SEP | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN | YTD | B-YTD |
|------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-------|
| <b>PMC</b> | 7   | 8   | 15  | 13  | 16  | 19  | 11  | 16  | -   | -   | -   | -   | 105 | 95    |
| <b>POM</b> | -   | -   | -   | -   | -   | -   | -   | -   | -   | -   | -   | -   | -   | -     |
| <b>CON</b> | 7   | 8   | 15  | 13  | 16  | 19  | 11  | 16  | -   | -   | -   | -   | 105 | 95    |

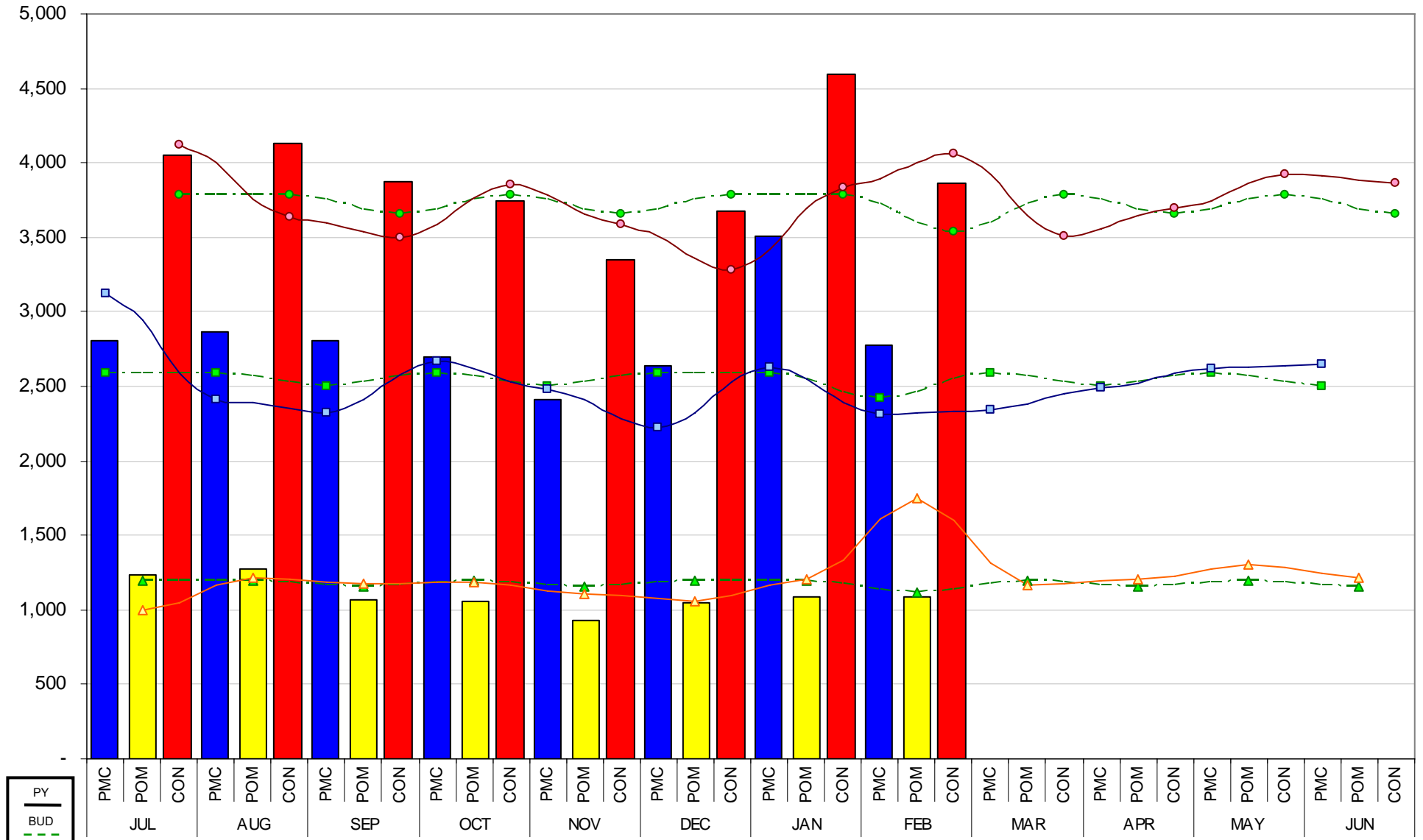


Statistical Indicators  
Total Surgeries



Statistical Indicators

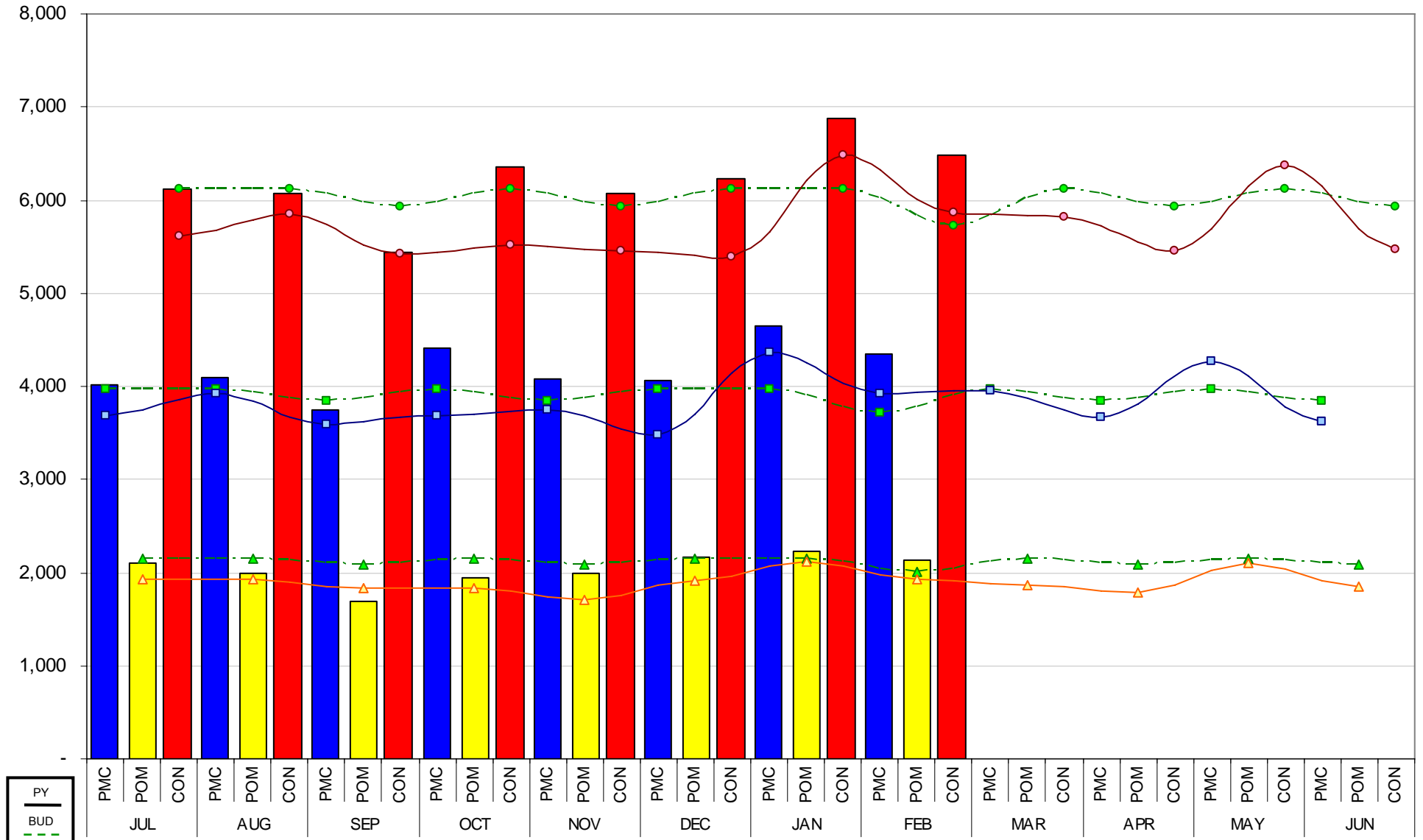
Outpatient Registrations (*excludes Lab*)



| PY  | JUL   |       | AUG   |       | SEP   |       | OCT   |       | NOV   |       | DEC   |       | JAN   |       | FEB   |       | MAR |     | APR |     | MAY |     | JUN |     | YTD    | B-YTD  |
|-----|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-----|-----|-----|-----|-----|-----|-----|-----|--------|--------|
|     | PMC   | POM   | PMC   | POM   | PMC   | POM   | PMC   | POM   | PMC   | POM   | PMC   | POM   | PMC   | POM   | PMC   | POM   | PMC | POM | PMC | POM | PMC | POM | PMC | POM | CON    | CON    |
| BUD | 2,811 | 1,238 | 2,861 | 1,274 | 2,808 | 1,066 | 2,693 | 1,057 | 2,414 | 932   | 2,635 | 1,044 | 3,510 | 1,085 | 2,774 | 1,086 | -   | -   | -   | -   | -   | -   | -   | -   | 22,506 | 20,369 |
|     | 4,049 | 4,049 | 4,135 | 4,135 | 3,874 | 3,874 | 3,750 | 3,750 | 3,346 | 3,346 | 3,679 | 3,679 | 4,595 | 4,595 | 3,860 | 3,860 | -   | -   | -   | -   | -   | -   | -   | -   | 31,288 | 29,768 |

Statistical Indicators

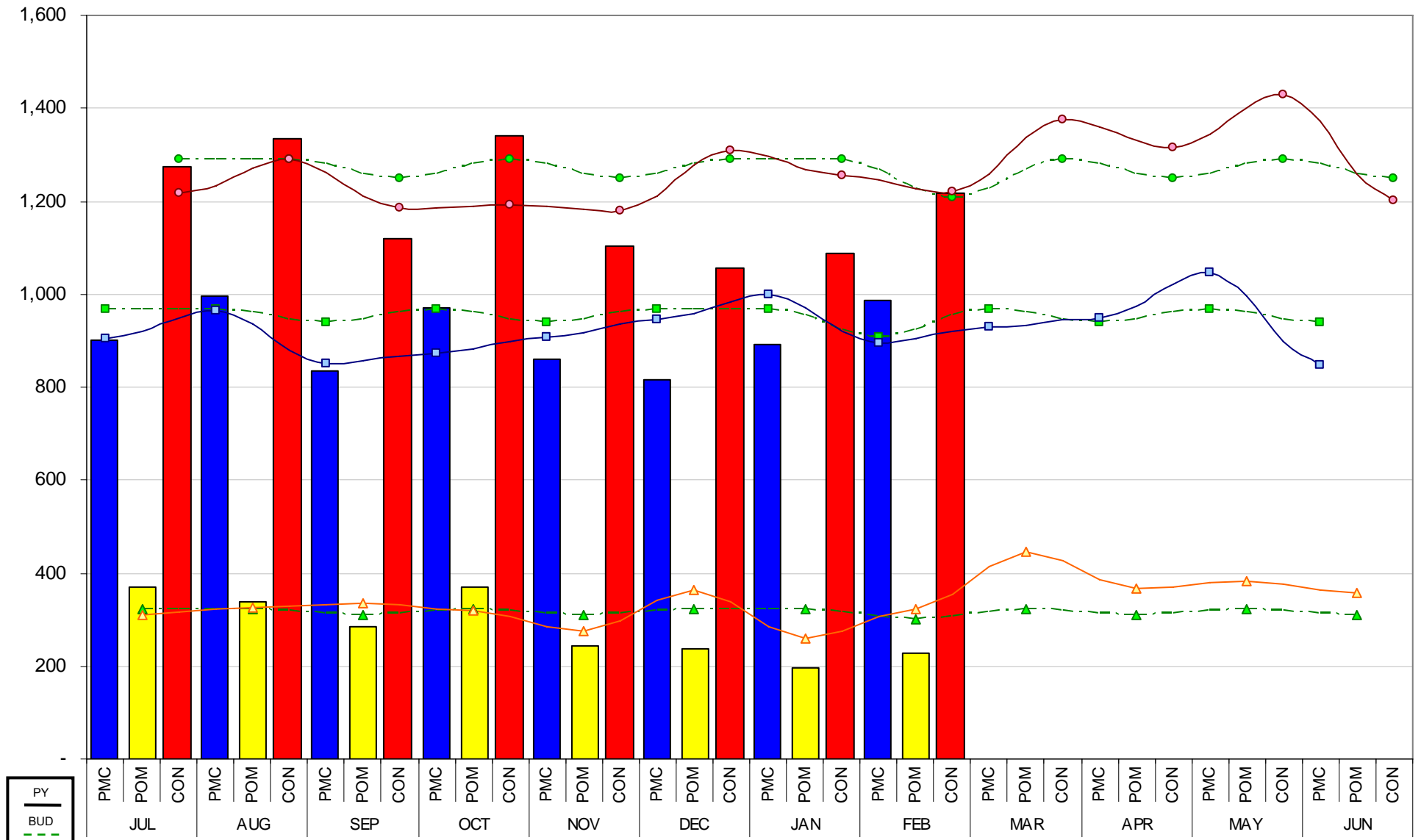
ER Visits (includes Trauma, Outpatient only)



|            | JUL   | AUG   | SEP   | OCT   | NOV   | DEC   | JAN   | FEB   | MAR | APR | MAY | JUN | YTD    | B-YTD  |
|------------|-------|-------|-------|-------|-------|-------|-------|-------|-----|-----|-----|-----|--------|--------|
| <b>PMC</b> | 4,014 | 4,087 | 3,743 | 4,404 | 4,080 | 4,060 | 4,645 | 4,345 | -   | -   | -   | -   | 33,378 | 31,283 |
| <b>POM</b> | 2,110 | 1,990 | 1,688 | 1,947 | 1,988 | 2,170 | 2,235 | 2,134 | -   | -   | -   | -   | 16,262 | 16,931 |
| <b>CON</b> | 6,124 | 6,077 | 5,431 | 6,351 | 6,068 | 6,230 | 6,880 | 6,479 | -   | -   | -   | -   | 49,640 | 48,214 |
| CON/DAY    | 198   | 196   | 181   | 205   | 202   | 201   | 222   | 223   | -   | -   | -   | -   | 203    | 198    |

Statistical Indicators

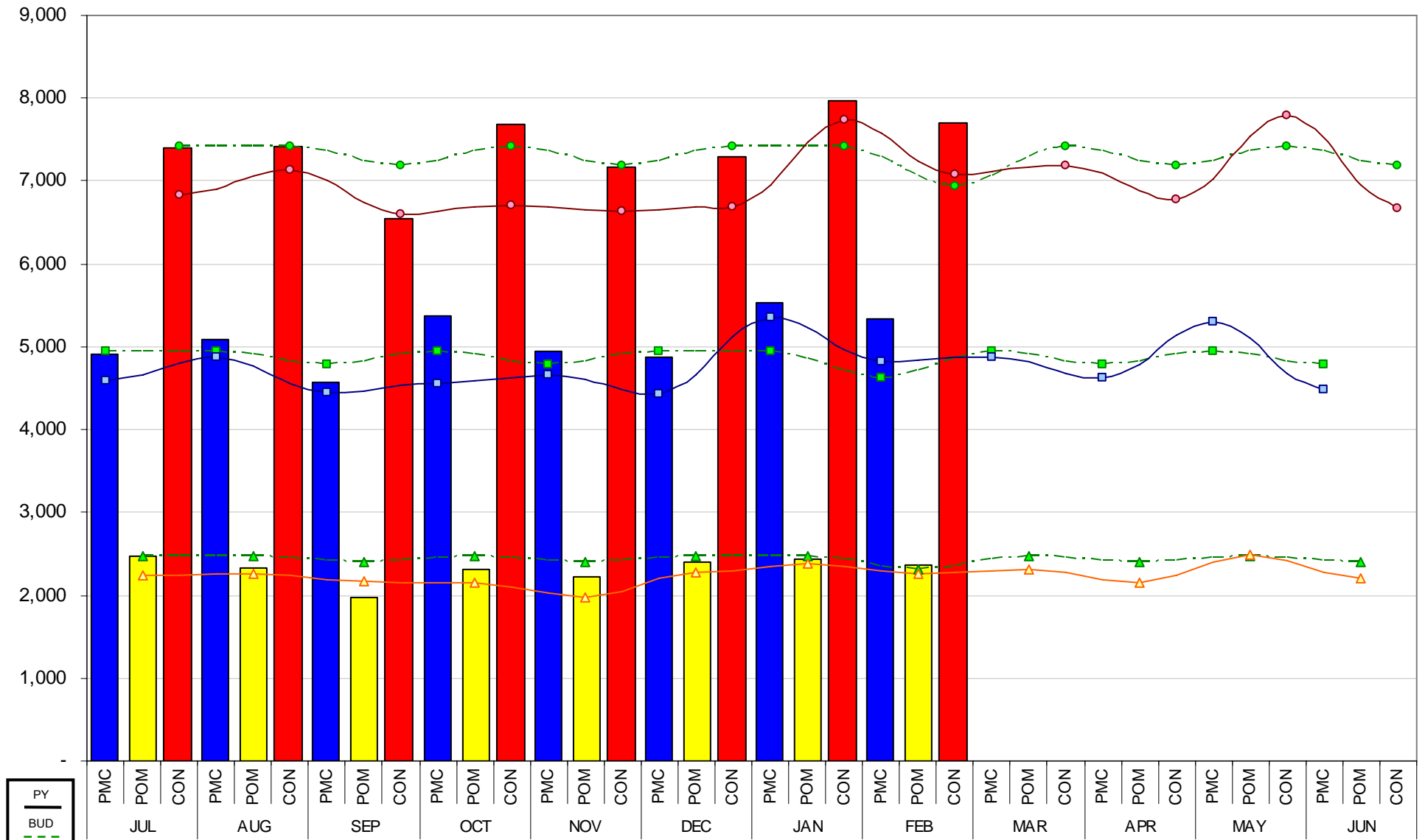
ER Admissions (includes Trauma, Inpatient only)



|            | JUL   | AUG   | SEP   | OCT   | NOV   | DEC   | JAN   | FEB   | MAR | APR | MAY | JUN | YTD   | B-YTD  |
|------------|-------|-------|-------|-------|-------|-------|-------|-------|-----|-----|-----|-----|-------|--------|
| <b>PMC</b> | 902   | 997   | 835   | 971   | 861   | 817   | 893   | 988   | -   | -   | -   | -   | 7,264 | 7,628  |
| <b>POM</b> | 371   | 337   | 284   | 370   | 243   | 238   | 195   | 228   | -   | -   | -   | -   | 2,266 | 2,527  |
| <b>CON</b> | 1,273 | 1,334 | 1,119 | 1,341 | 1,104 | 1,055 | 1,088 | 1,216 | -   | -   | -   | -   | 9,530 | 10,155 |

Statistical Indicators

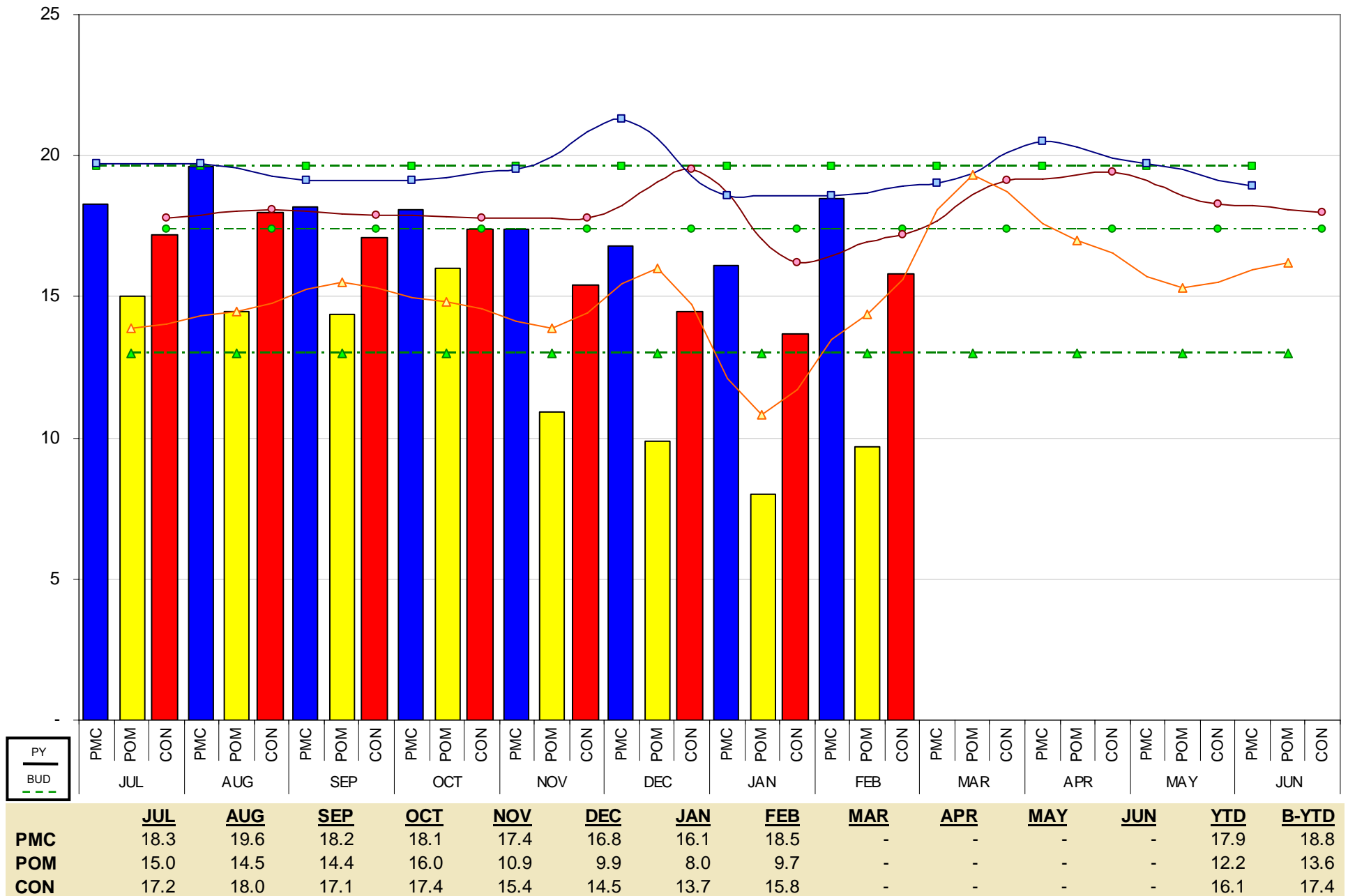
Total ER Visits & Admissions (includes Trauma)



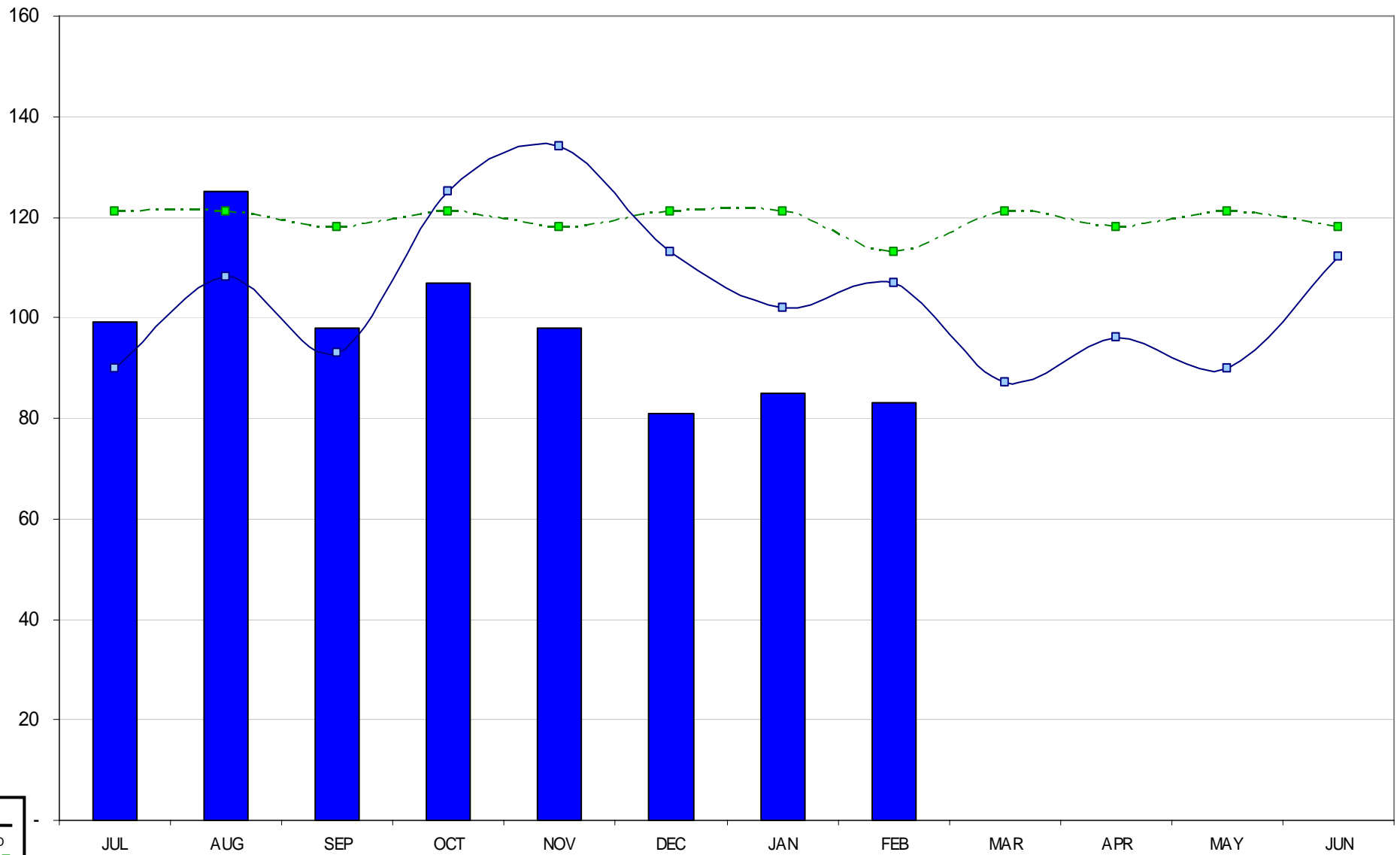
|            | JUL   | AUG   | SEP   | OCT   | NOV   | DEC   | JAN   | FEB   | MAR | APR | MAY | JUN | YTD    | B-YTD  |
|------------|-------|-------|-------|-------|-------|-------|-------|-------|-----|-----|-----|-----|--------|--------|
| <b>PMC</b> | 4,916 | 5,084 | 4,578 | 5,375 | 4,941 | 4,877 | 5,538 | 5,333 | -   | -   | -   | -   | 40,642 | 38,911 |
| <b>POM</b> | 2,481 | 2,327 | 1,972 | 2,317 | 2,231 | 2,408 | 2,430 | 2,362 | -   | -   | -   | -   | 18,528 | 19,458 |
| <b>CON</b> | 7,397 | 7,411 | 6,550 | 7,692 | 7,172 | 7,285 | 7,968 | 7,695 | -   | -   | -   | -   | 59,170 | 58,369 |

Statistical Indicators

ER Conversion (ER Admits as % of ER Visits)



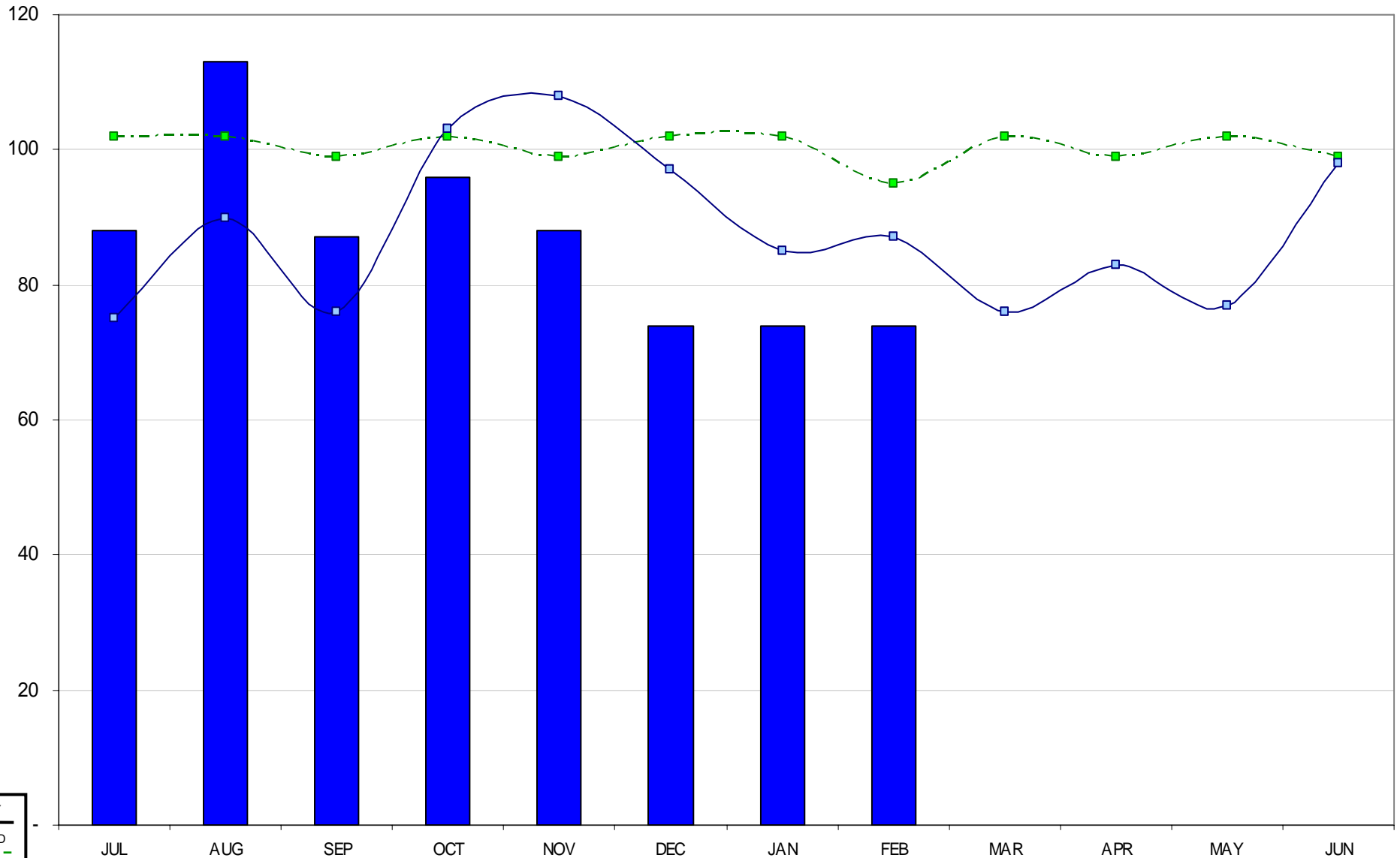
Statistical Indicators  
Trauma Cases (PMC only)



|            | <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> |
|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|
| <b>PMC</b> | 99         | 125        | 98         | 107        | 98         | 81         | 85         | 83         | -          | -          | -          | -          | 776        | 954          |
| <b>POM</b> | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          | -            |
| <b>CON</b> | 99         | 125        | 98         | 107        | 98         | 81         | 85         | 83         | -          | -          | -          | -          | 776        | 954          |

Statistical Indicators

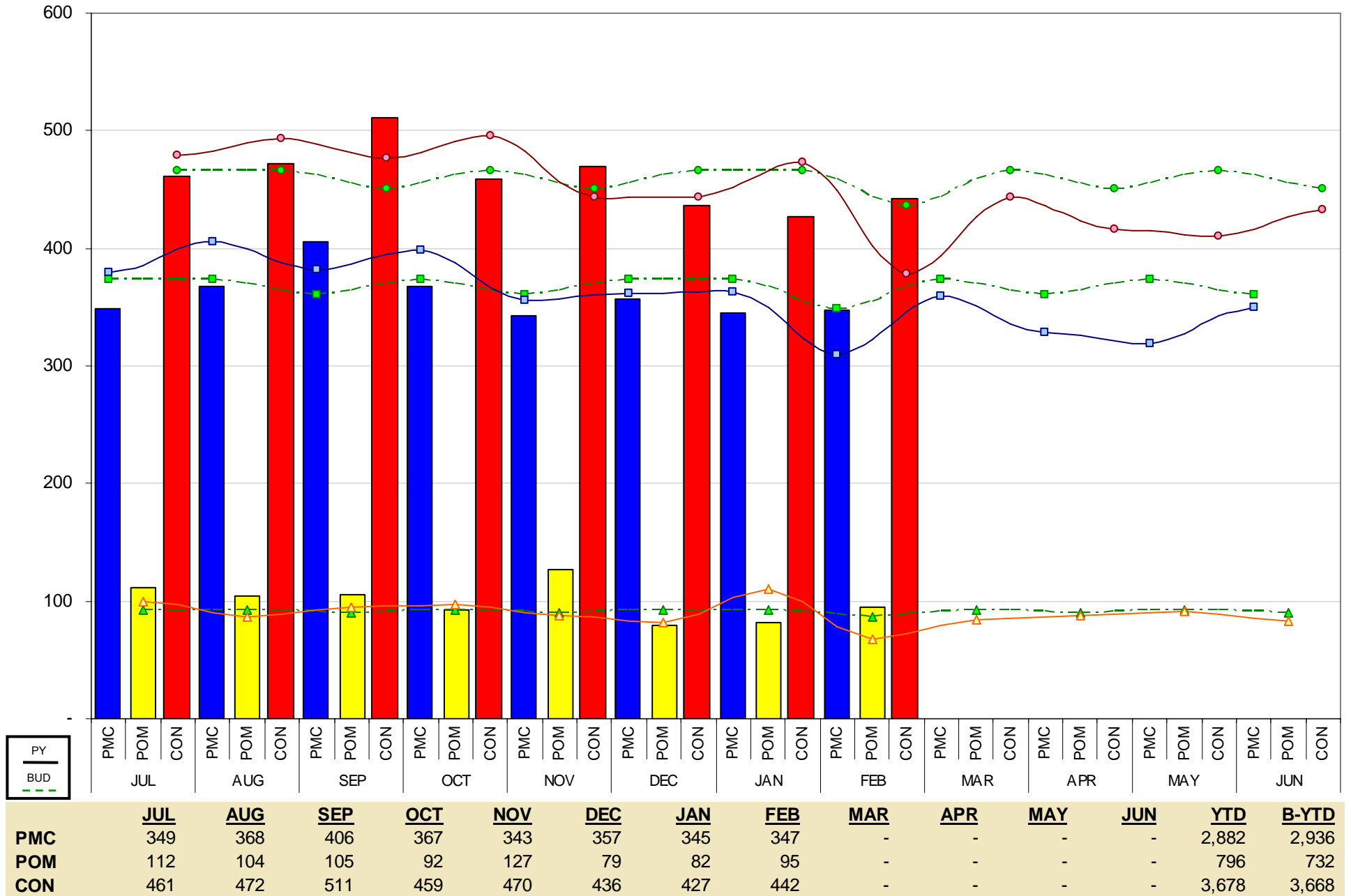
Trauma Admissions (PMC only)



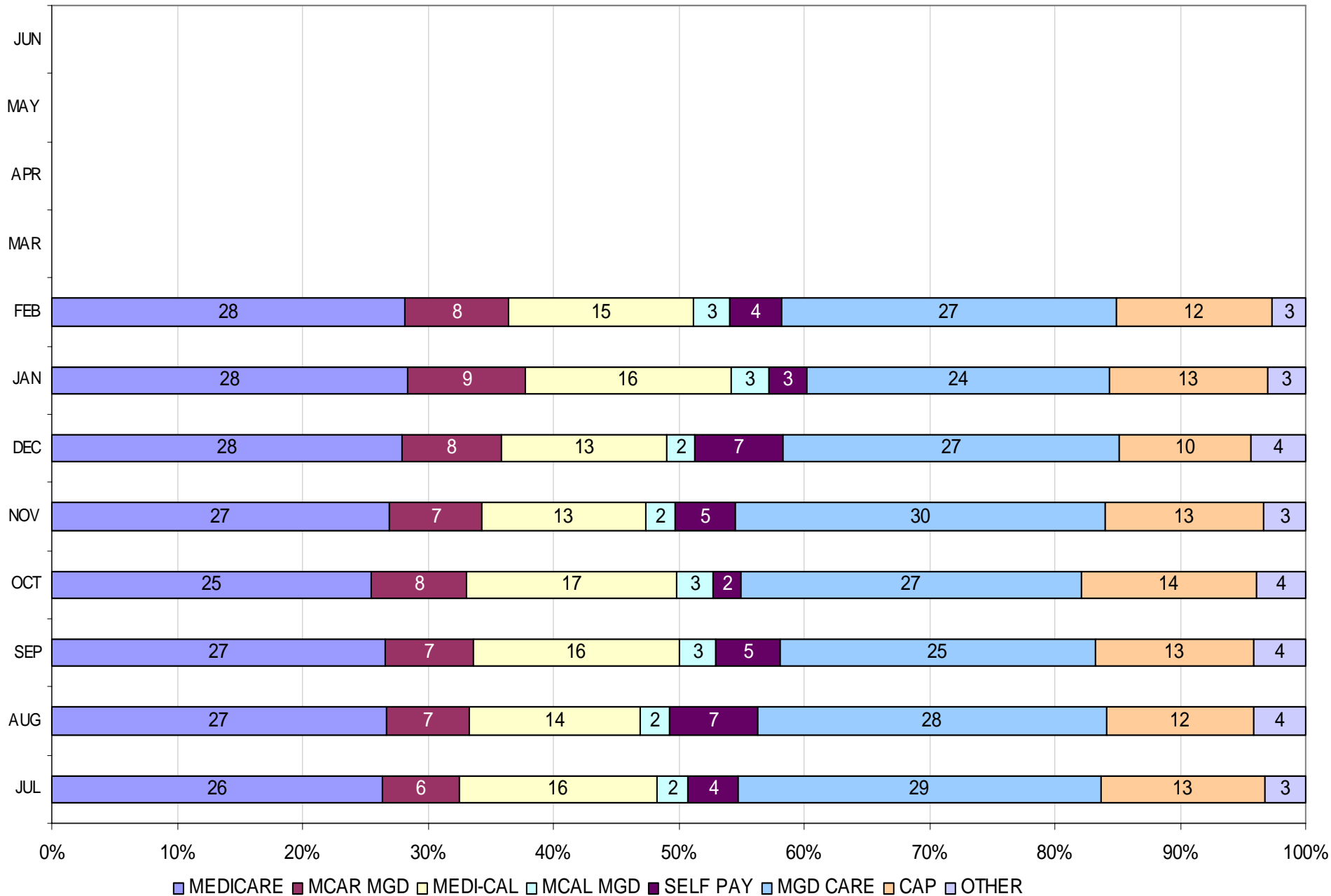
|            | JUL | AUG | SEP | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN | YTD | B-YTD |
|------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-------|
| <b>PMC</b> | 88  | 113 | 87  | 96  | 88  | 74  | 74  | 74  | -   | -   | -   | -   | 694 | 803   |
| <b>POM</b> | -   | -   | -   | -   | -   | -   | -   | -   | -   | -   | -   | -   | -   | -     |
| <b>CON</b> | 88  | 113 | 87  | 96  | 88  | 74  | 74  | 74  | -   | -   | -   | -   | 694 | 803   |

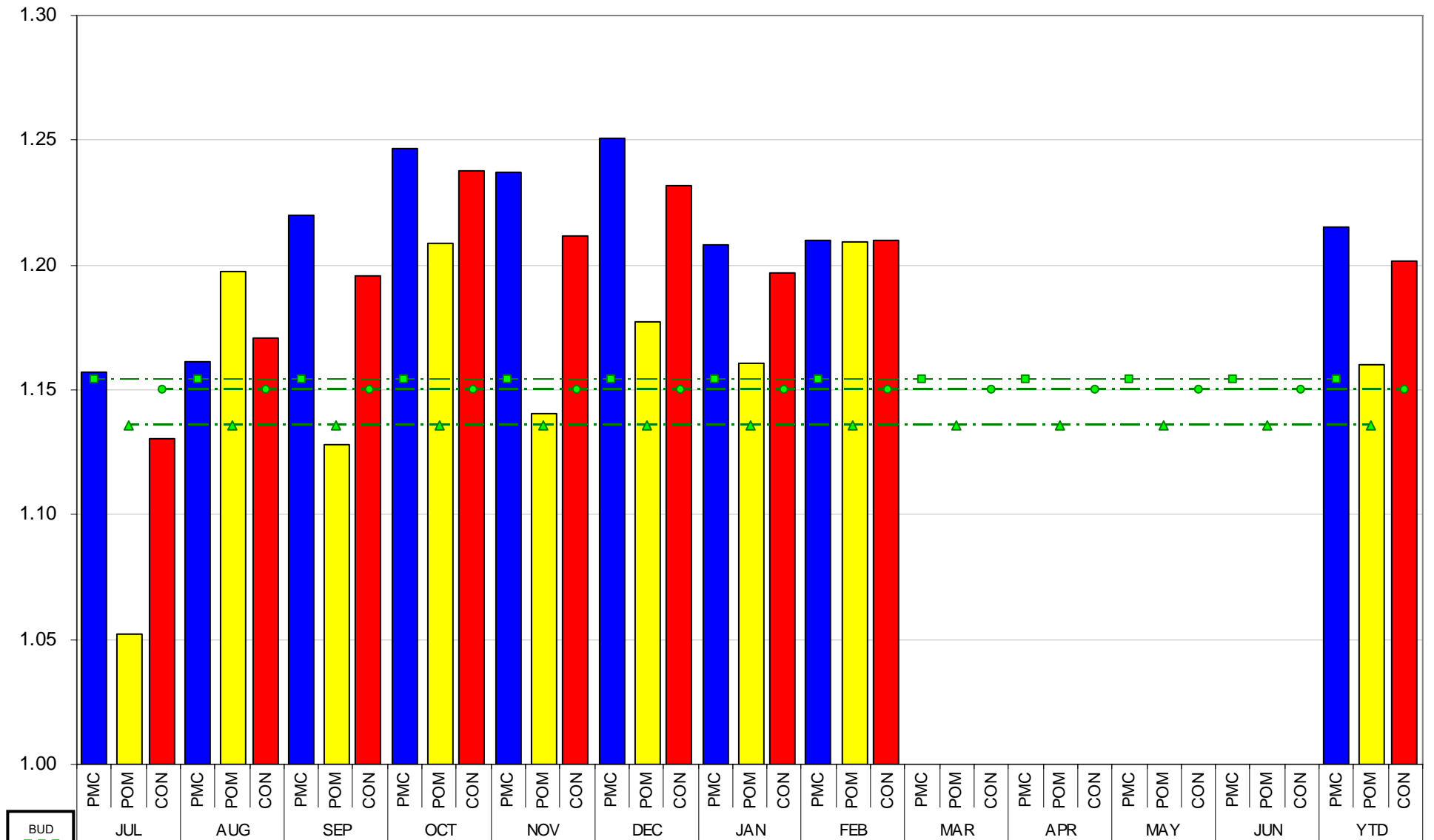


Statistical Indicators  
Deliveries



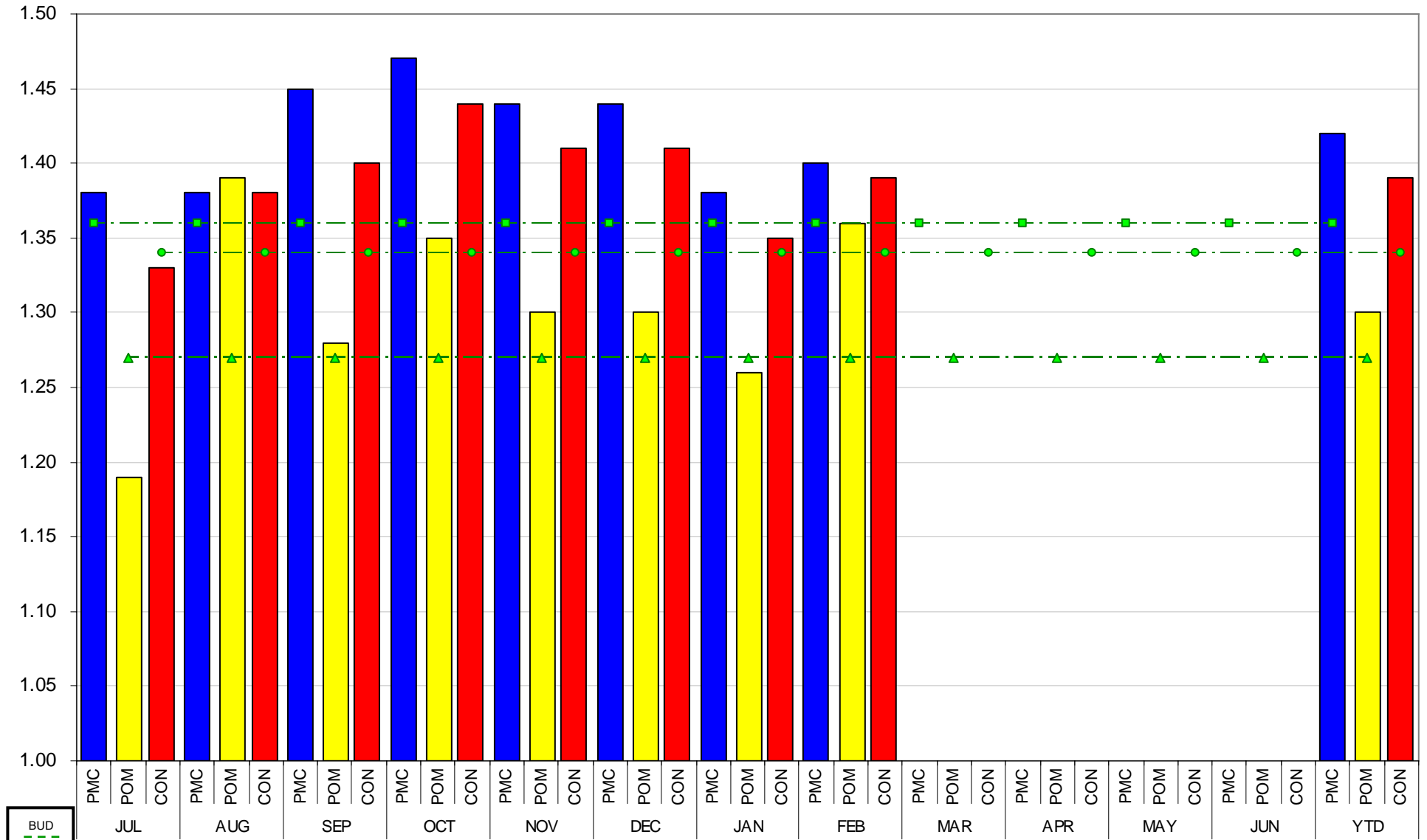
Payor Mix  
Based on Gross Revenue





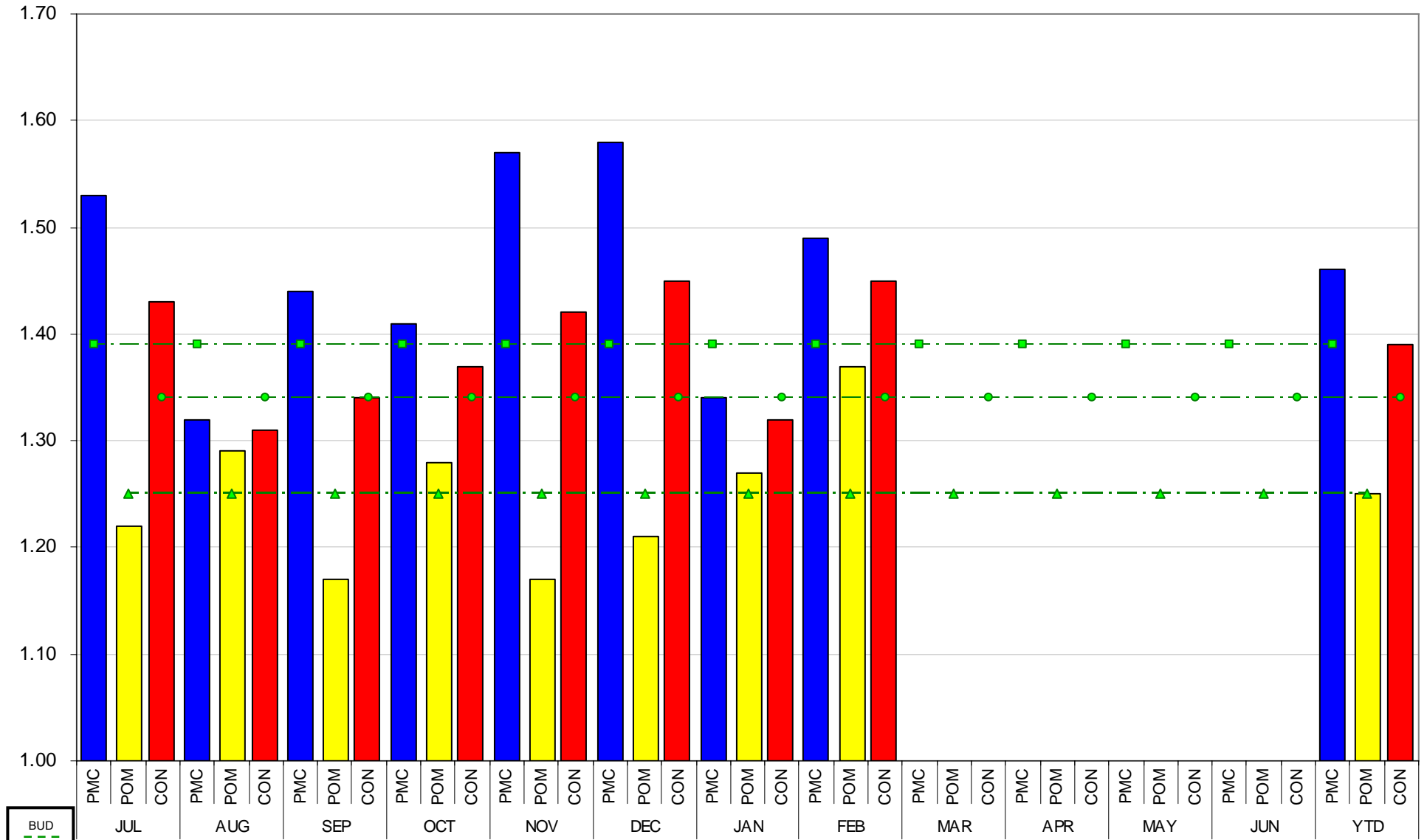
|            | <u>JUL</u> | <u>AUG</u> | <u>SEP</u> | <u>OCT</u> | <u>NOV</u> | <u>DEC</u> | <u>JAN</u> | <u>FEB</u> | <u>MAR</u> | <u>APR</u> | <u>MAY</u> | <u>JUN</u> | <u>YTD</u> |
|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| <b>PMC</b> | 1.16       | 1.16       | 1.22       | 1.25       | 1.24       | 1.25       | 1.21       | 1.21       | -          | -          | -          | -          | 1.22       |
| <b>POM</b> | 1.05       | 1.20       | 1.13       | 1.21       | 1.14       | 1.18       | 1.16       | 1.21       | -          | -          | -          | -          | 1.16       |
| <b>CON</b> | 1.13       | 1.17       | 1.20       | 1.24       | 1.21       | 1.23       | 1.20       | 1.21       | -          | -          | -          | -          | 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> |
|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| <b>PMC</b> | 1.38       | 1.38       | 1.45       | 1.47       | 1.44       | 1.44       | 1.38       | 1.40       | -          | -          | -          | -          | 1.42       |
| <b>POM</b> | 1.19       | 1.39       | 1.28       | 1.35       | 1.30       | 1.30       | 1.26       | 1.36       | -          | -          | -          | -          | 1.30       |
| <b>CON</b> | 1.33       | 1.38       | 1.40       | 1.44       | 1.41       | 1.41       | 1.35       | 1.39       | -          | -          | -          | -          | 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> |
|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| <b>PMC</b> | 1.53       | 1.32       | 1.44       | 1.41       | 1.57       | 1.58       | 1.34       | 1.49       | -          | -          | -          | -          | 1.46       |
| <b>POM</b> | 1.22       | 1.29       | 1.17       | 1.28       | 1.17       | 1.21       | 1.27       | 1.37       | -          | -          | -          | -          | 1.25       |
| <b>CON</b> | 1.43       | 1.31       | 1.34       | 1.37       | 1.42       | 1.45       | 1.32       | 1.45       | -          | -          | -          | -          | 1.39       |

Summary of Key Indicators & Results  
Fiscal Year-to-Date

|                                     | <u>ACTUAL</u> | <u>BUDGET</u> | <u>VARIANCE</u> | <u>FY 2007</u> |
|-------------------------------------|---------------|---------------|-----------------|----------------|
| <b><u>ADMISSIONS - Acute:</u></b>   |               |               |                 |                |
| Palomar Medical Center              | 14,638        | 15,332        | (694)           | 14,582         |
| Pomerado Hospital                   | 4,785         | 4,551         | 234             | 4,474          |
| <b>Total:</b>                       | <u>19,423</u> | <u>19,883</u> | <u>(460)</u>    | <u>19,056</u>  |
| <b><u>ADMISSIONS - SNF:</u></b>     |               |               |                 |                |
| Palomar Medical Center              | 330           | 393           | (63)            | 394            |
| Pomerado Hospital                   | 364           | 372           | (8)             | 374            |
| <b>Total:</b>                       | <u>694</u>    | <u>765</u>    | <u>(71)</u>     | <u>768</u>     |
| <b><u>PATIENT DAYS - Acute:</u></b> |               |               |                 |                |
| Palomar Medical Center              | 56,712        | 57,438        | (726)           | 55,788         |
| Pomerado Hospital                   | 19,510        | 18,637        | 873             | 18,473         |
| <b>Total:</b>                       | <u>76,222</u> | <u>76,075</u> | <u>147</u>      | <u>74,261</u>  |
| <b><u>PATIENT DAYS- SNF:</u></b>    |               |               |                 |                |
| Palomar Medical Center              | 20,595        | 21,409        | (814)           | 21,321         |
| Pomerado Hospital                   | 30,096        | 30,116        | (20)            | 29,950         |
| <b>Total:</b>                       | <u>50,691</u> | <u>51,525</u> | <u>(834)</u>    | <u>51,271</u>  |

Summary of Key Indicators & Results  
Fiscal Year-to-Date

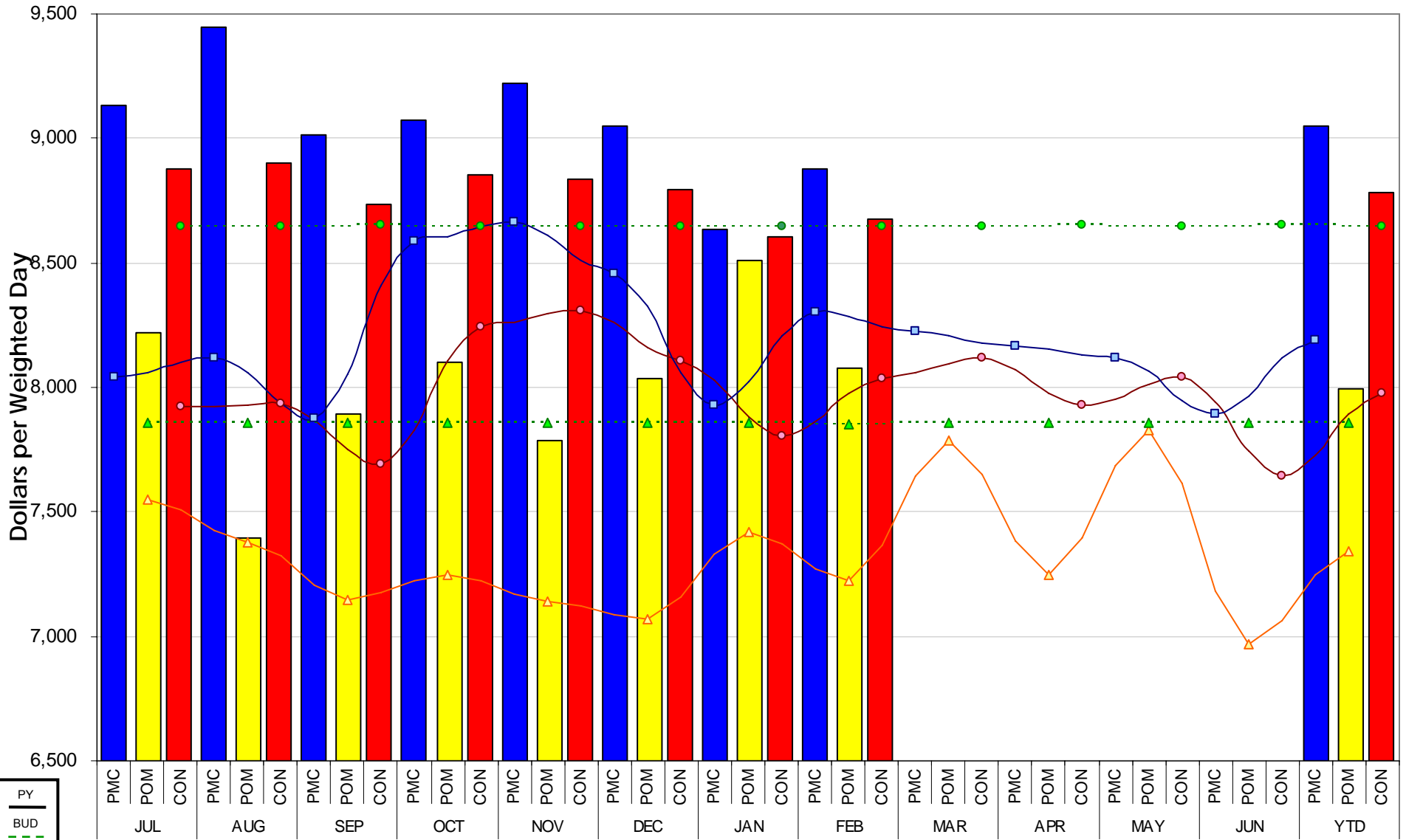
|  | <u>ACTUAL</u>  | <u>BUDGET</u>  | <u>VARIANCE</u> | <u>FY 2007</u> |
|--|----------------|----------------|-----------------|----------------|
| <b><u>WEIGHTED PATIENT DAYS</u></b>          |                |                |                 |                |
| Palomar Medical Center                       | 73,983         | 72,988         | 995             | 70,808         |
| Pomerado Hospital                            | 30,463         | 29,595         | 868             | 29,950         |
| Other Activities                             | 1,763          | 1,764          | (1)             | 1,413          |
| <b>Total:</b>                                | <u>106,209</u> | <u>104,347</u> | <u>1,862</u>    | <u>102,171</u> |
| <b><u>ADJUSTED DISCHARGES</u></b>            |                |                |                 |                |
| Palomar Medical Center                       | 19,053         | 19,496         | (443)           | 18,774         |
| Pomerado Hospital                            | 7,064          | 6,829          | 235             | 6,736          |
| Other Activities                             | 549            | 607            | (58)            | 663            |
| <b>Total:</b>                                | <u>26,666</u>  | <u>26,932</u>  | <u>(266)</u>    | <u>26,173</u>  |
| <b><u>AVERAGE LENGTH OF STAY- Acute:</u></b> |                |                |                 |                |
| Palomar Medical Center                       | 3.87           | 3.75           | 0.12            | 3.77           |
| Pomerado Hospital                            | 4.05           | 4.10           | (0.05)          | 4.11           |
| <b>Total:</b>                                | <u>3.92</u>    | <u>3.83</u>    | <u>0.09</u>     | <u>3.85</u>    |
| <b><u>AVERAGE LENGTH OF STAY - SNF:</u></b>  |                |                |                 |                |
| Palomar Medical Center                       | 63.96          | 55.61          | 8.35            | 55.52          |
| Pomerado Hospital                            | 81.78          | 80.96          | 0.82            | 80.73          |
| <b>Total:</b>                                | <u>73.47</u>   | <u>68.06</u>   | <u>5.41</u>     | <u>67.91</u>   |

Summary of Key Indicators & Results  
Fiscal Year-to-Date

|   | <u>ACTUAL</u> | <u>BUDGET</u> | <u>VARIANCE</u> | <u>FY 2007</u> |
|---|---------------|---------------|-----------------|----------------|
| <b><u>EMERGENCY ROOM VISITS &amp; TRAUMA CASES:</u></b> |               |               |                 |                |
| Palomar Medical Center                                  | 33,378        | 31,283        | 2,095           | 30,392         |
| Pomerado Hospital                                       | 16,262        | 16,931        | (669)           | 15,180         |
| <b>Total:</b>   | <u>49,640</u> | <u>48,214</u> | <u>1,426</u>    | <u>45,572</u>  |
| <b><u>EMERGENCY &amp; TRAUMA ADMISSIONS:</u></b>        |               |               |                 |                |
| Palomar Medical Center                                  | 7,264         | 7,628         | (364)           | 7,334          |
| Pomerado Hospital                                       | 2,266         | 2,527         | (261)           | 2,510          |
| <b>Total:</b>   | <u>9,530</u>  | <u>10,155</u> | <u>(625)</u>    | <u>9,844</u>   |
| <b><u>SURGERIES:</u></b>                                |               |               |                 |                |
| Palomar Medical Center                                  | 6,560         | 6,591         | (31)            | 5,243          |
| Pomerado Hospital                                       | 4,554         | 4,487         | 67              | 2,428          |
| <b>Total:</b>   | <u>11,114</u> | <u>11,078</u> | <u>36</u>       | <u>7,671</u>   |
| <b><u>BIRTHS:</u></b>                                   |               |               |                 |                |
| Palomar Medical Center                                  | 2,882         | 2,936         | (54)            | 2,957          |
| Pomerado Hospital                                       | 796           | 732           | 64              | 727            |
| <b>Total:</b>   | <u>3,678</u>  | <u>3,668</u>  | <u>10</u>       | <u>3,684</u>   |



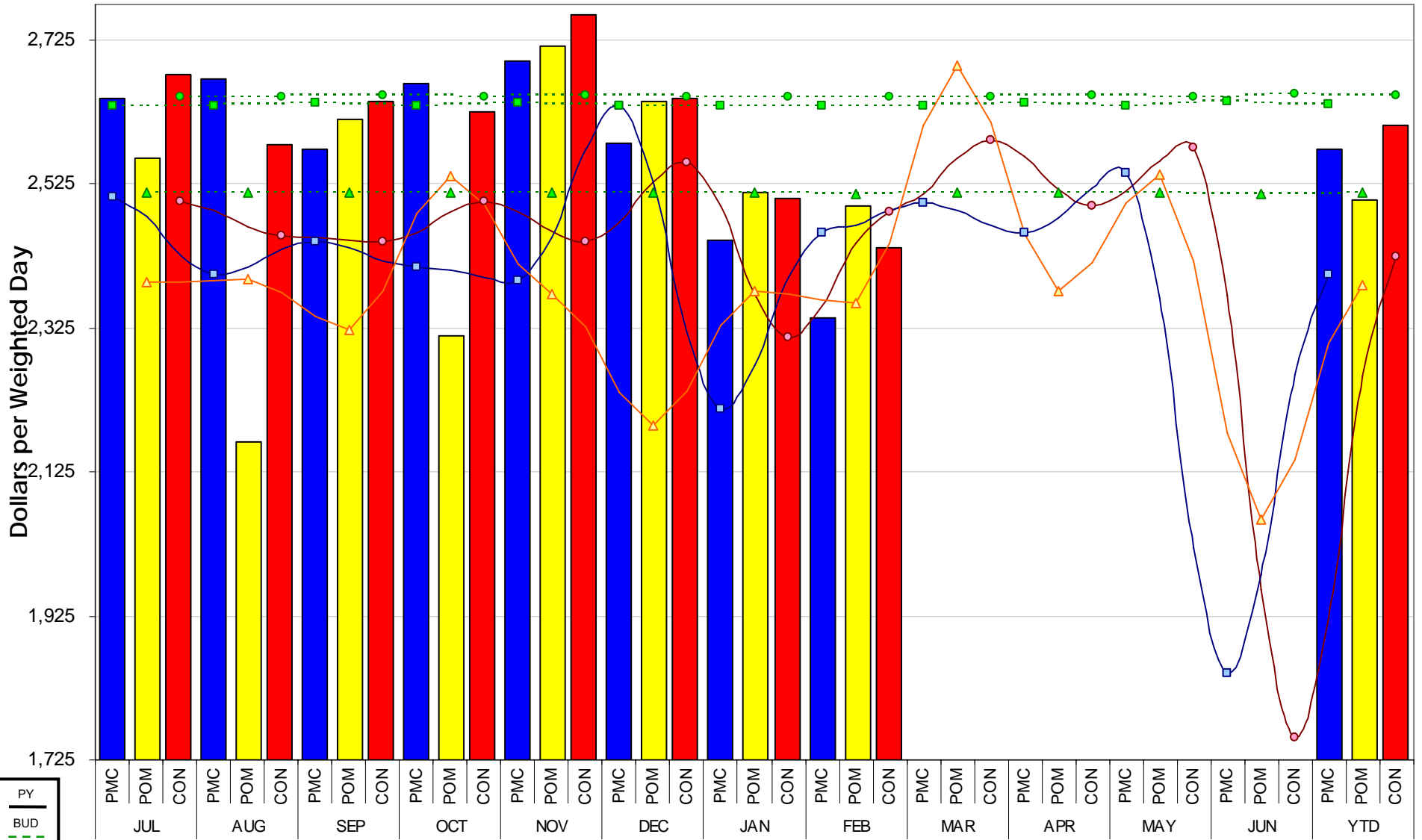
Weighted Patient Days  
Gross Patient Revenue per WPD



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> |
|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|
| <b>PMC</b> | 9,130      | 9,449      | 9,017      | 9,072      | 9,222      | 9,047      | 8,635      | 8,875      | -          | -          | -          | -          | 9,052      | 8,902        |
| <b>POM</b> | 8,222      | 7,392      | 7,892      | 8,102      | 7,784      | 8,035      | 8,509      | 8,077      | -          | -          | -          | -          | 7,995      | 7,857        |
| <b>CON</b> | 8,880      | 8,898      | 8,735      | 8,852      | 8,835      | 8,794      | 8,602      | 8,675      | -          | -          | -          | -          | 8,782      | 8,646        |

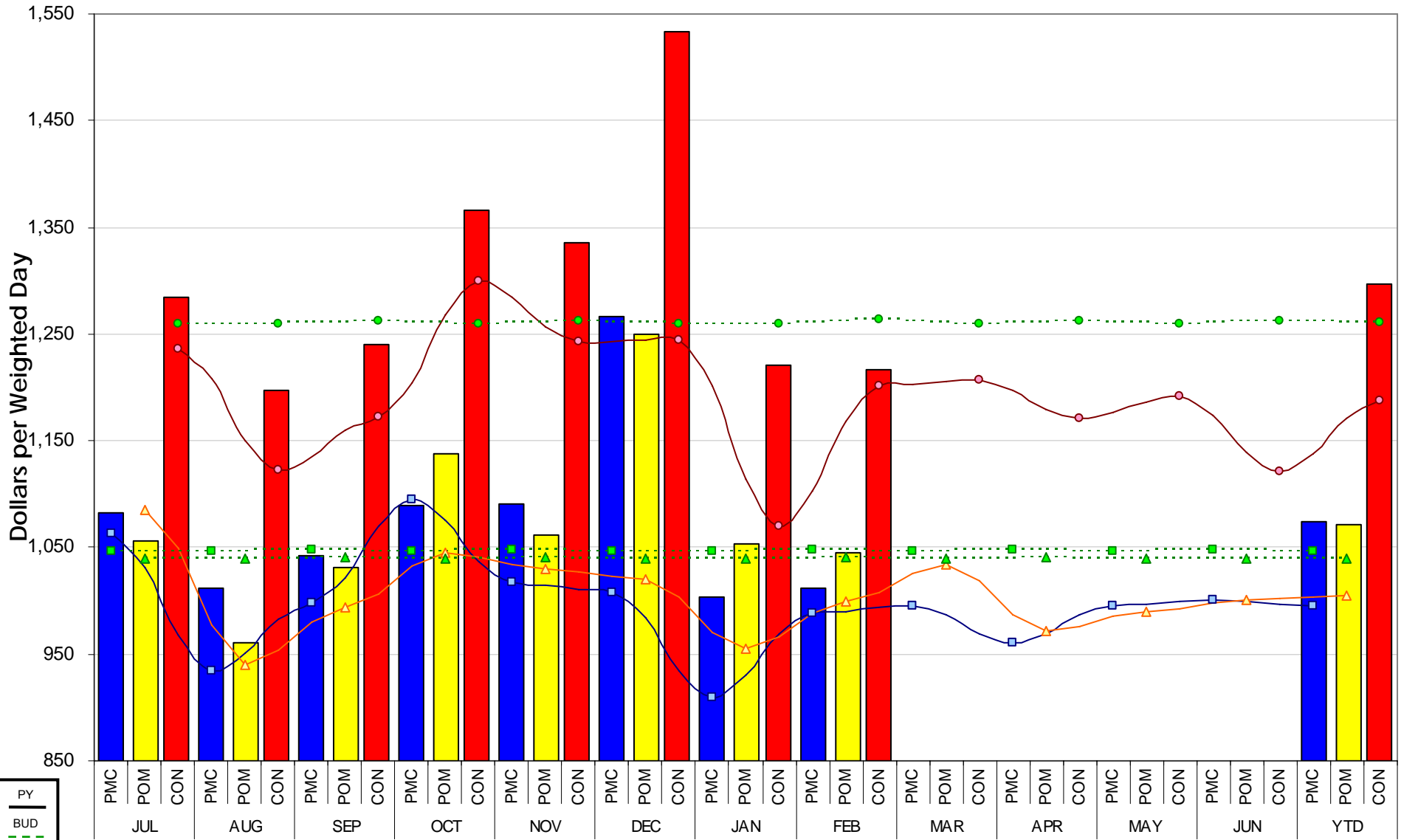
Weighted Patient Days  
Net Patient Revenue per WPD



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> |
|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|
| <b>PMC</b> | 2,644      | 2,671      | 2,573      | 2,665      | 2,696      | 2,581      | 2,448      | 2,340      | -          | -          | -          | -          | 2,574      | 2,640        |
| <b>POM</b> | 2,562      | 2,168      | 2,616      | 2,315      | 2,717      | 2,641      | 2,514      | 2,494      | -          | -          | -          | -          | 2,503      | 2,513        |
| <b>CON</b> | 2,678      | 2,580      | 2,641      | 2,626      | 2,760      | 2,645      | 2,506      | 2,437      | -          | -          | -          | -          | 2,606      | 2,647        |

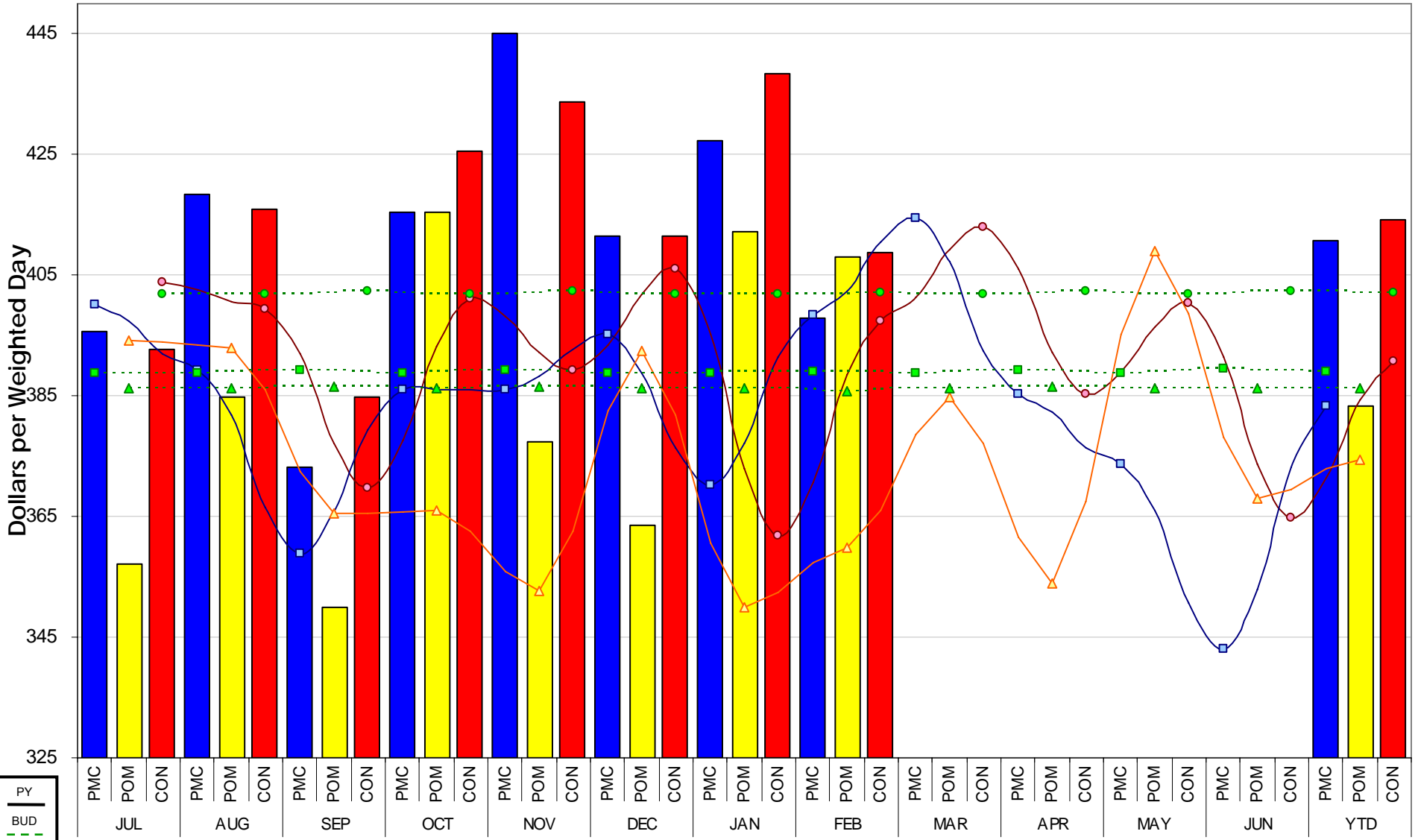
Weighted Patient Days  
Salaries, Wages & Contract Labor per WPD



PY  
BUD

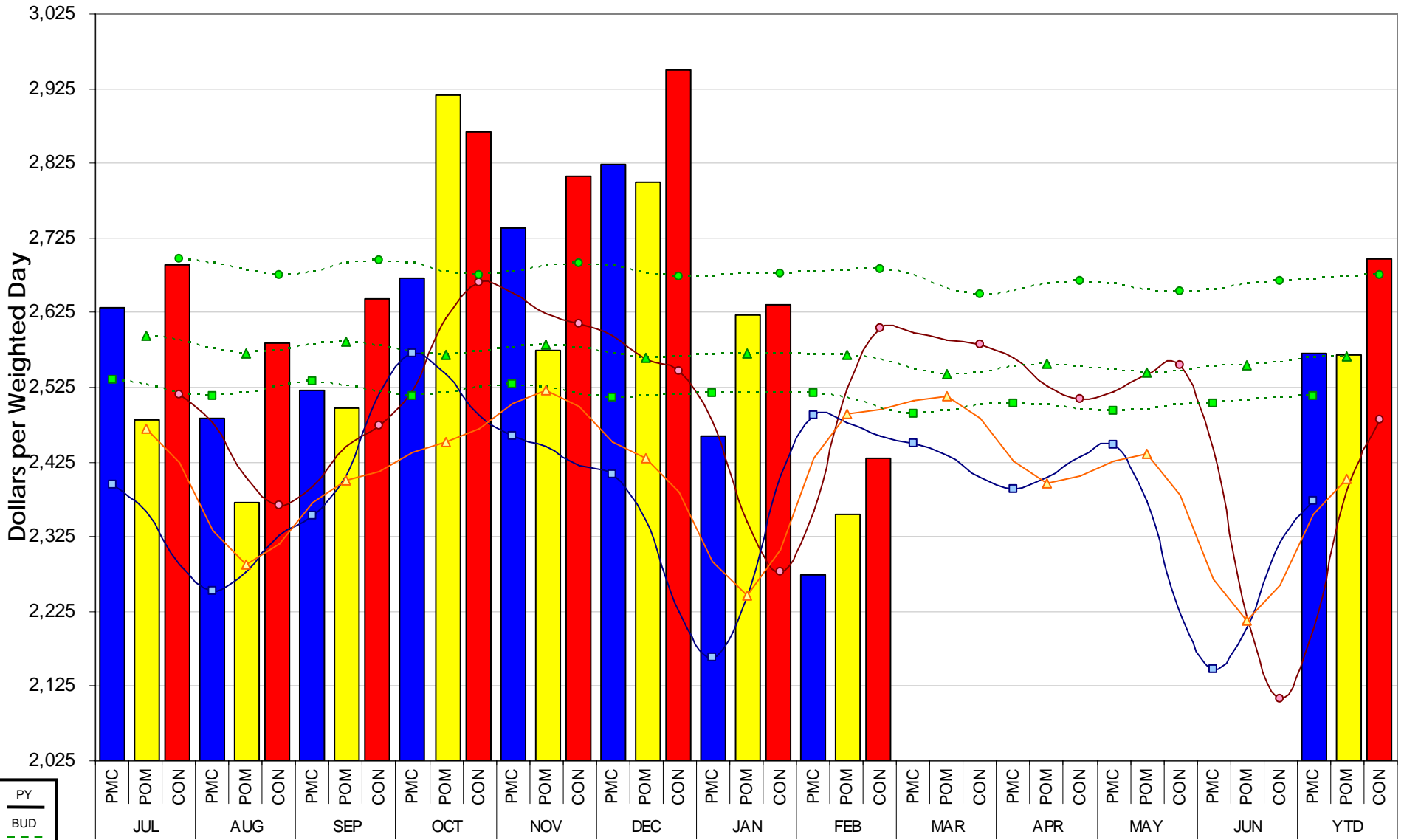
|            | <u>JUL</u> | <u>AUG</u> | <u>SEP</u> | <u>OCT</u> | <u>NOV</u> | <u>DEC</u> | <u>JAN</u> | <u>FEB</u> | <u>MAR</u> | <u>APR</u> | <u>MAY</u> | <u>JUN</u> | <u>YTD</u> | <u>B-YTD</u> |
|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|
| <b>PMC</b> | 1,082      | 1,012      | 1,042      | 1,089      | 1,090      | 1,267      | 1,004      | 1,012      | -          | -          | -          | -          | 1,074      | 1,050        |
| <b>POM</b> | 1,056      | 961        | 1,031      | 1,138      | 1,062      | 1,249      | 1,054      | 1,045      | -          | -          | -          | -          | 1,072      | 1,040        |
| <b>CON</b> | 1,284      | 1,197      | 1,240      | 1,366      | 1,335      | 1,533      | 1,221      | 1,217      | -          | -          | -          | -          | 1,297      | 1,261        |

Weighted Patient Days  
Supplies per WPD



|     | JUL | AUG | SEP | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN | YTD | B-YTD |
|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-------|
| PMC | 396 | 418 | 373 | 415 | 445 | 411 | 427 | 398 | -   | -   | -   | -   | 411 | 391   |
| POM | 357 | 385 | 350 | 416 | 377 | 364 | 412 | 408 | -   | -   | -   | -   | 383 | 386   |
| CON | 393 | 416 | 385 | 426 | 434 | 412 | 438 | 409 | -   | -   | -   | -   | 414 | 402   |

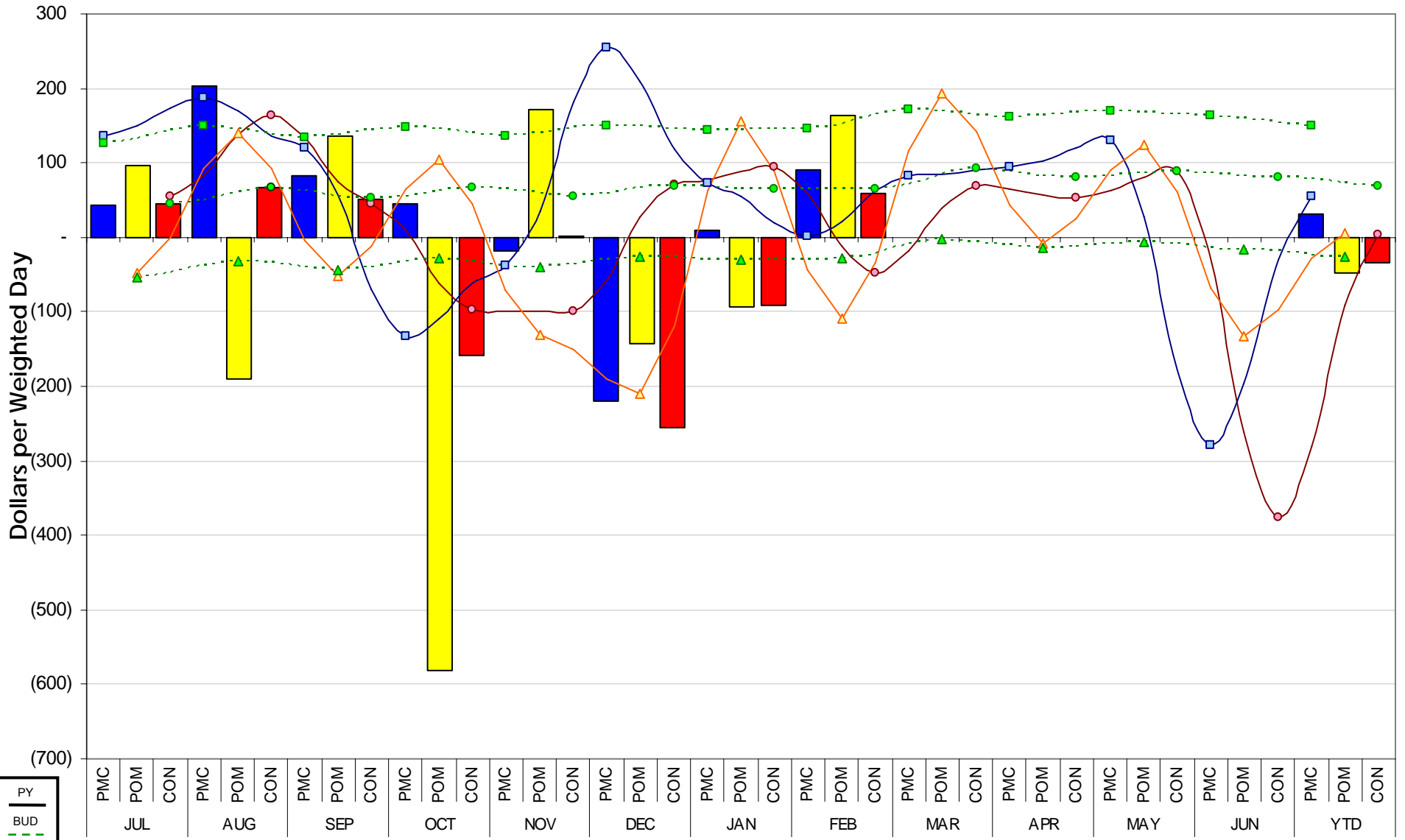
Weighted Patient Days  
Total Expenses per WPD



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> |
|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|
| <b>PMC</b> | 2,632      | 2,483      | 2,521      | 2,671      | 2,739      | 2,824      | 2,460      | 2,274      | -          | -          | -          | -          | 2,571      | 2,526        |
| <b>POM</b> | 2,482      | 2,371      | 2,496      | 2,917      | 2,573      | 2,801      | 2,623      | 2,354      | -          | -          | -          | -          | 2,569      | 2,576        |
| <b>CON</b> | 2,689      | 2,584      | 2,644      | 2,866      | 2,808      | 2,950      | 2,637      | 2,430      | -          | -          | -          | -          | 2,697      | 2,683        |

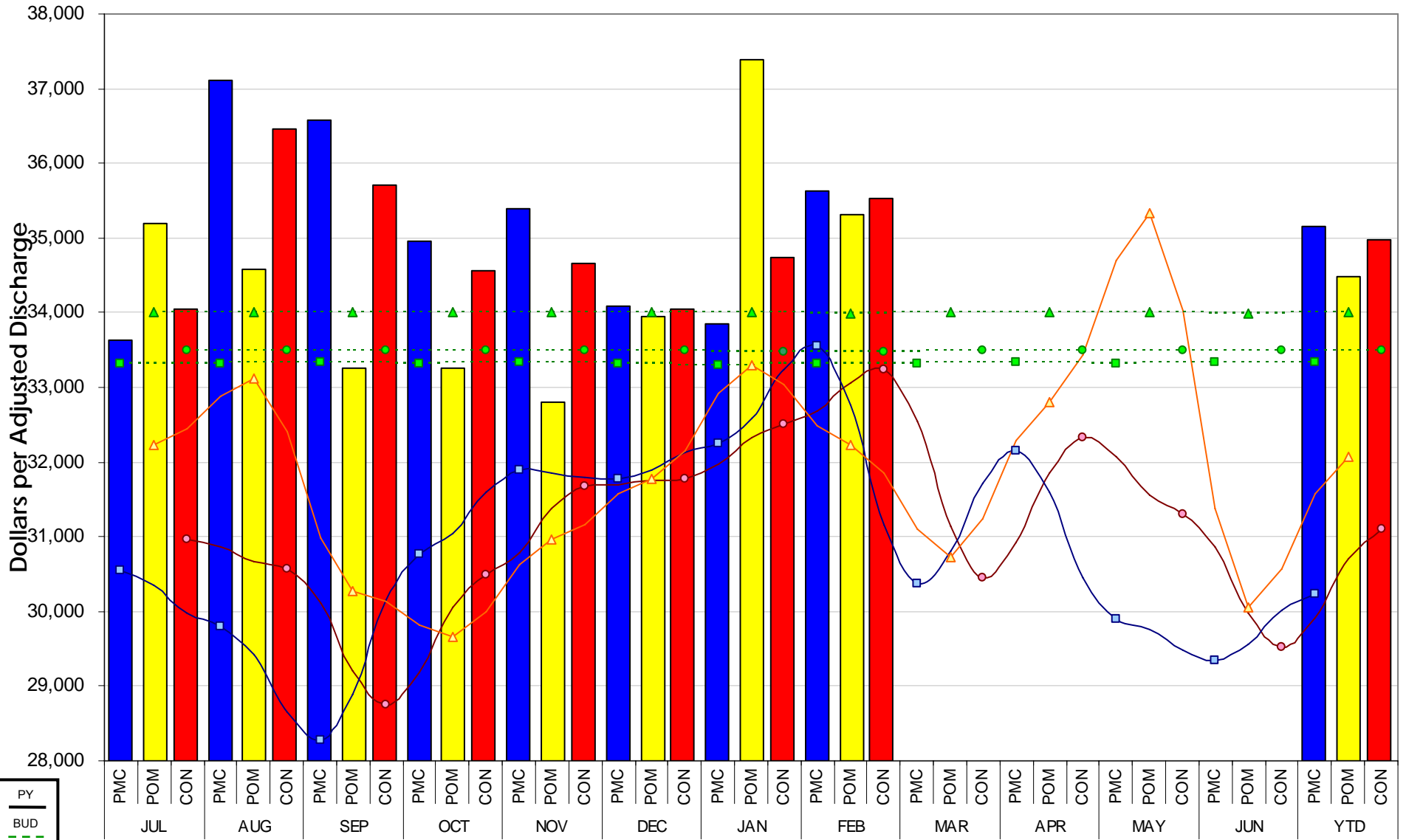
Weighted Patient Days  
Net Operating Income per WPD



|     |               |
|-----|---------------|
| PY  | (Solid Line)  |
| BUD | (Dashed Line) |

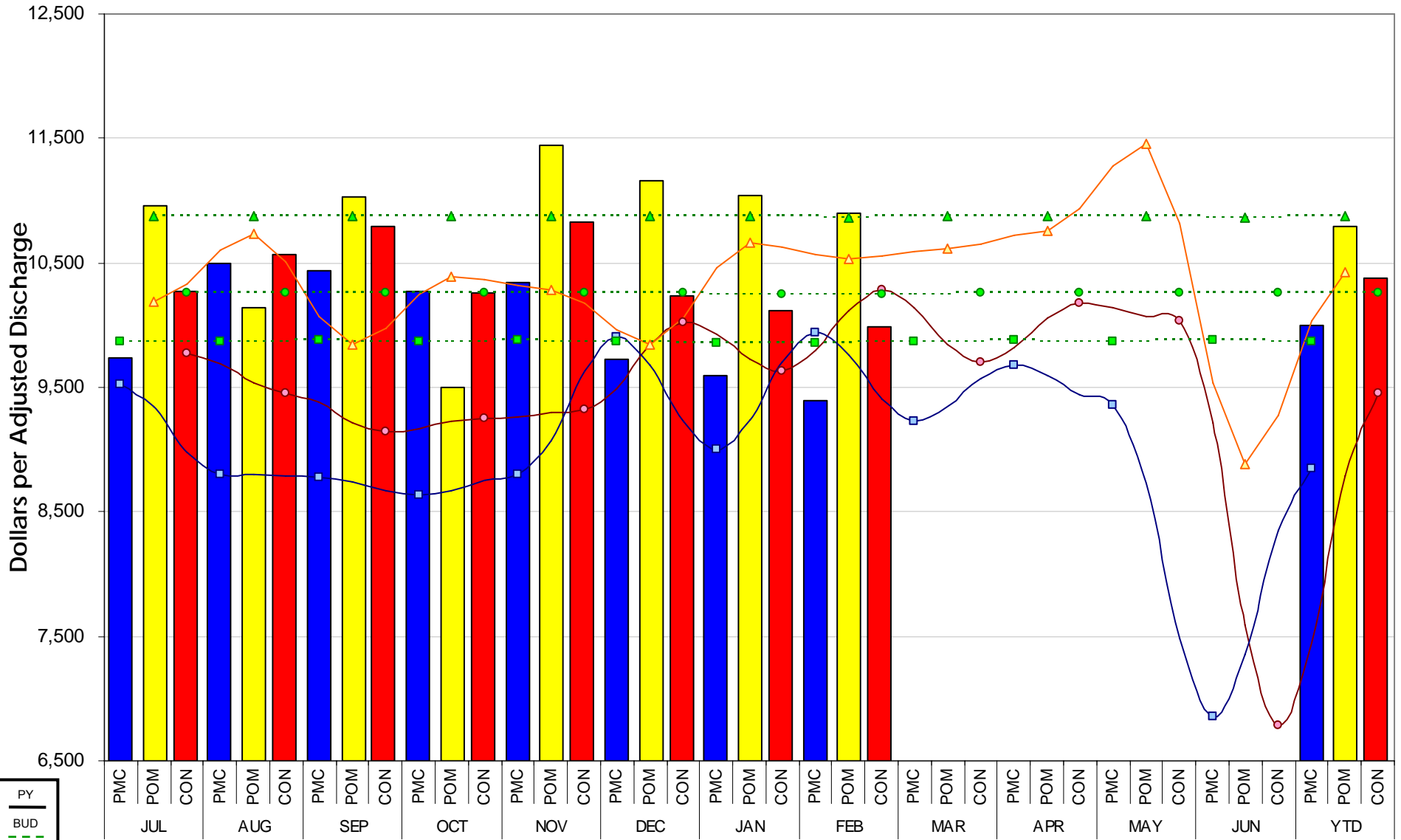
|     | JUL | AUG   | SEP | OCT   | NOV  | DEC   | JAN  | FEB | MAR | APR | MAY | JUN | YTD  | B-YTD |
|-----|-----|-------|-----|-------|------|-------|------|-----|-----|-----|-----|-----|------|-------|
| PMC | 43  | 204   | 83  | 46    | (19) | (220) | 10   | 90  | -   | -   | -   | -   | 31   | 141   |
| POM | 96  | (190) | 136 | (582) | 171  | (142) | (93) | 165 | -   | -   | -   | -   | (47) | (35)  |
| CON | 45  | 68    | 51  | (158) | 1    | (254) | (91) | 59  | -   | -   | -   | -   | (34) | 61    |

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> |
|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|
| <b>PMC</b> | 33,628     | 37,115     | 36,573     | 34,962     | 35,383     | 34,084     | 33,852     | 35,620     | -          | -          | -          | -          | 35,150     | 33,326       |
| <b>POM</b> | 35,188     | 34,573     | 33,267     | 33,266     | 32,806     | 33,958     | 37,385     | 35,308     | -          | -          | -          | -          | 34,479     | 34,049       |
| <b>CON</b> | 34,046     | 36,462     | 35,702     | 34,561     | 34,669     | 34,055     | 34,748     | 35,539     | -          | -          | -          | -          | 34,978     | 33,498       |

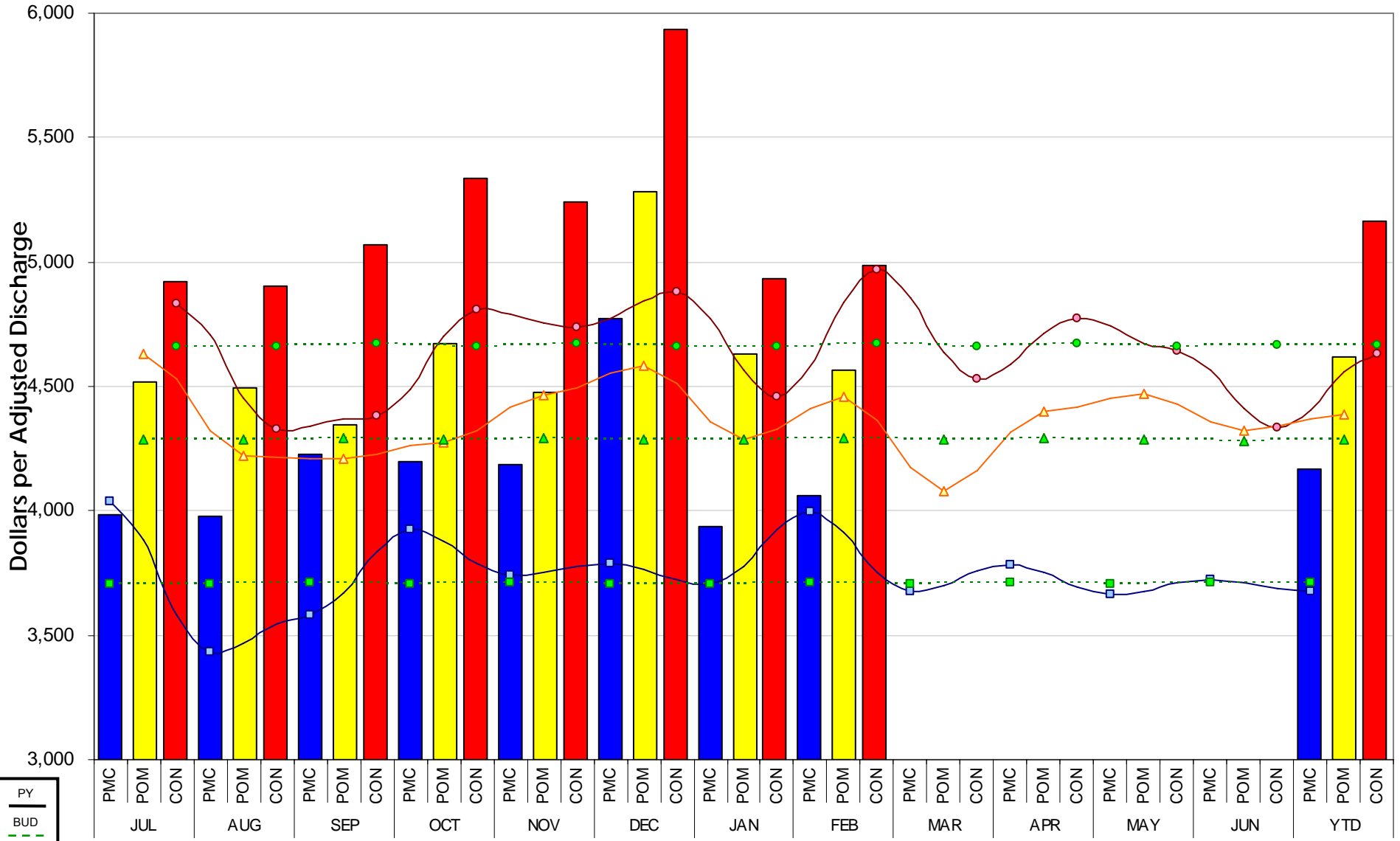
Adjusted Discharges  
Net Patient Revenue per Adjusted Discharges



|            | <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> |
|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|
| <b>PMC</b> | 9,737      | 10,493     | 10,437     | 10,270     | 10,344     | 9,725      | 9,597      | 9,390      | -          | -          | -          | -          | 9,994      | 9,883        |
| <b>POM</b> | 10,963     | 10,138     | 11,028     | 9,505      | 11,450     | 11,160     | 11,046     | 10,903     | -          | -          | -          | -          | 10,794     | 10,891       |
| <b>CON</b> | 10,266     | 10,573     | 10,793     | 10,254     | 10,829     | 10,241     | 10,121     | 9,983      | -          | -          | -          | -          | 10,380     | 10,257       |



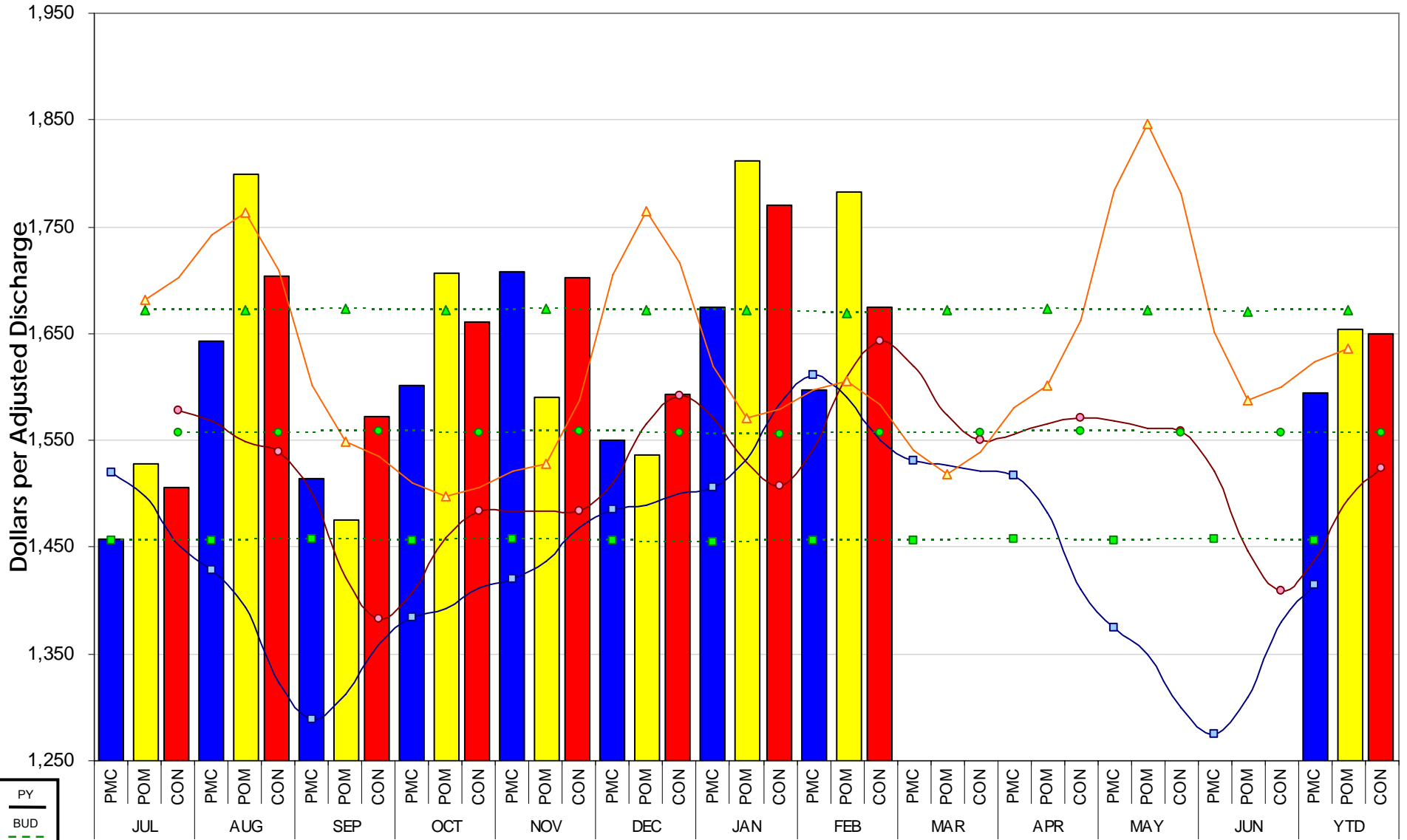
Adjusted Discharges  
Salaries per Adjusted Discharges



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> |
|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|
| <b>PMC</b> | 3,984      | 3,977      | 4,227      | 4,198      | 4,183      | 4,772      | 3,935      | 4,063      | -          | -          | -          | -          | 4,168      | 3,930        |
| <b>POM</b> | 4,518      | 4,494      | 4,344      | 4,672      | 4,477      | 5,280      | 4,630      | 4,567      | -          | -          | -          | -          | 4,621      | 4,506        |
| <b>CON</b> | 4,922      | 4,905      | 5,070      | 5,334      | 5,238      | 5,936      | 4,930      | 4,987      | -          | -          | -          | -          | 5,165      | 4,885        |

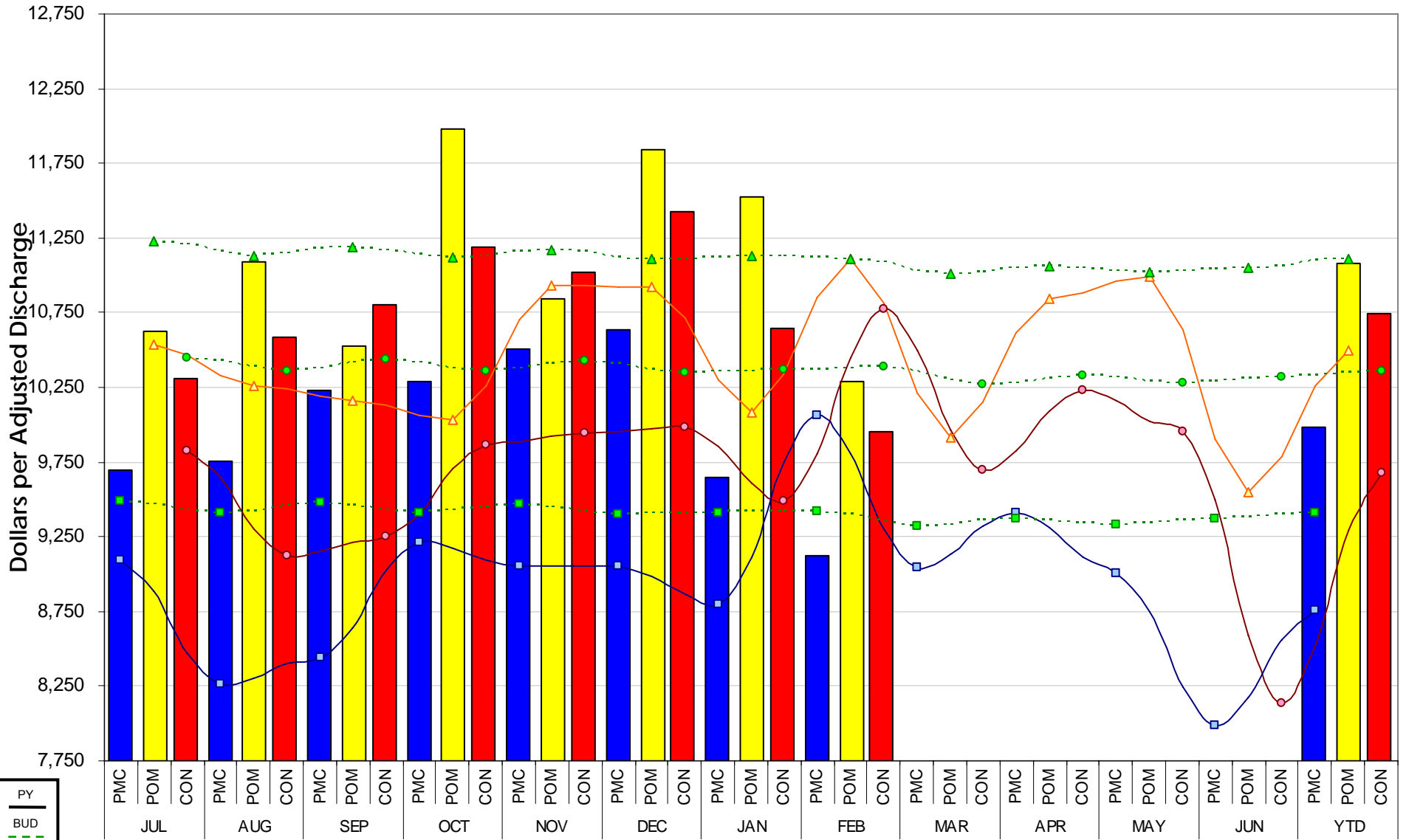
Adjusted Discharges  
Supplies per Adjusted Discharge



PY  
BUD

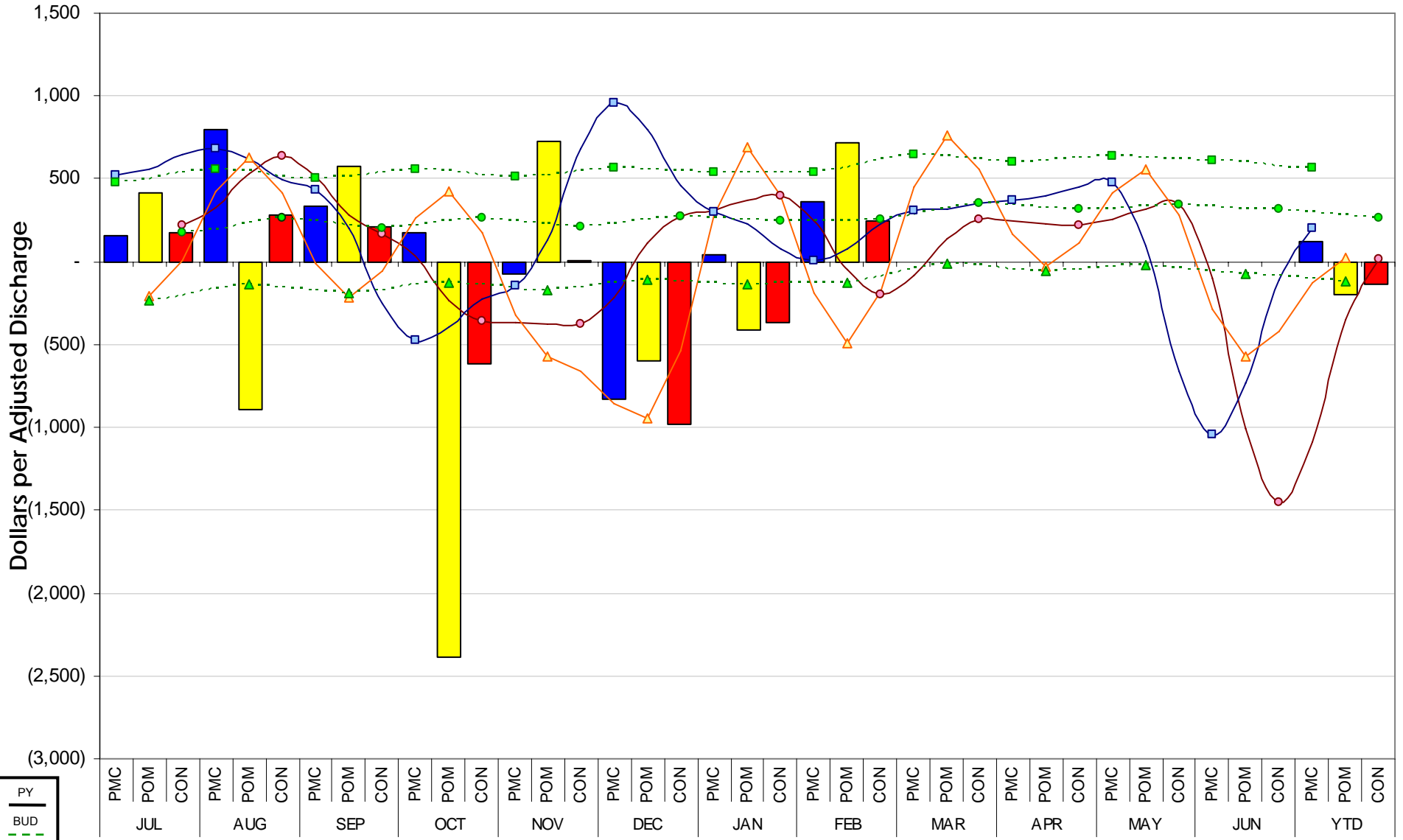
|            | <u>JUL</u> | <u>AUG</u> | <u>SEP</u> | <u>OCT</u> | <u>NOV</u> | <u>DEC</u> | <u>JAN</u> | <u>FEB</u> | <u>MAR</u> | <u>APR</u> | <u>MAY</u> | <u>JUN</u> | <u>YTD</u> | <u>B-YTD</u> |
|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|
| <b>PMC</b> | 1,457      | 1,643      | 1,514      | 1,601      | 1,708      | 1,550      | 1,675      | 1,597      | -          | -          | -          | -          | 1,595      | 1,464        |
| <b>POM</b> | 1,528      | 1,800      | 1,475      | 1,706      | 1,590      | 1,536      | 1,811      | 1,783      | -          | -          | -          | -          | 1,653      | 1,674        |
| <b>CON</b> | 1,506      | 1,704      | 1,573      | 1,661      | 1,702      | 1,594      | 1,770      | 1,675      | -          | -          | -          | -          | 1,649      | 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> |
|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|
| <b>PMC</b> | 9,693      | 9,752      | 10,226     | 10,293     | 10,511     | 10,640     | 9,643      | 9,128      | -          | -          | -          | -          | 9,983      | 9,457        |
| <b>POM</b> | 10,622     | 11,090     | 10,523     | 11,977     | 10,846     | 11,836     | 11,522     | 10,291     | -          | -          | -          | -          | 11,078     | 11,162       |
| <b>CON</b> | 10,309     | 10,589     | 10,807     | 11,191     | 11,019     | 11,422     | 10,650     | 9,954      | -          | -          | -          | -          | 10,742     | 10,396       |

Adjusted Discharges  
Net Operating Income per Adjusted Discharges



PY  
BUD

|            | JUL | AUG   | SEP | OCT     | NOV  | DEC   | JAN   | FEB | MAR | APR | MAY | JUN | YTD   | B-YTD |
|------------|-----|-------|-----|---------|------|-------|-------|-----|-----|-----|-----|-----|-------|-------|
| <b>PMC</b> | 158 | 799   | 335 | 177     | (72) | (828) | 40    | 360 | -   | -   | -   | -   | 119   | 528   |
| <b>POM</b> | 411 | (889) | 575 | (2,388) | 722  | (602) | (408) | 719 | -   | -   | -   | -   | (202) | (153) |
| <b>CON</b> | 171 | 278   | 208 | (618)   | 5    | (985) | (366) | 242 | -   | -   | -   | -   | (134) | 235   |

# Key Variance Explanations

## Month-To-Date

|   | Actual         | Budget         | Variance Detail | Variance           |
|---|----------------|----------------|-----------------|--------------------|
| <b>Net Income From Operations</b>         | <b>821,159</b> | <b>804,805</b> |                 | <b>16,354</b>      |
| <b>Total Net Revenue</b>                  |                |                |                 | <b>1,001,874</b>   |
| Net Patient Revenue                       |                |                | 1,001,874       |                    |
| <b>Other Revenue</b>                      |                |                |                 | <b>(535,183)</b>   |
| PPH Foundation                            |                |                | (294,834)       |                    |
| PPNC Health Development                   |                |                | (116,864)       |                    |
| Home Health Outreach                      |                |                | (105,808)       |                    |
| Welcome Home Baby                         |                |                | (48,379)        |                    |
| Other                                     |                |                | 30,702          |                    |
| <b>Salaries &amp; Wages</b>               |                |                |                 | <b>(1,077,317)</b> |
| Volume variance                           |                |                | (864,482)       |                    |
| Rate & Efficiency                         |                |                | (212,835)       |                    |
| Overtime                                  | (254,859)      |                |                 |                    |
| <b>Benefits</b>                           |                |                |                 | <b>1,299,155</b>   |
| FICA                                      |                |                | (259,385)       |                    |
| Health and Dental                         |                |                | (113,278)       |                    |
| Other Benefits                            |                |                | 105,098         |                    |
| Pension                                   |                |                | 126,779         |                    |
| Worker's Comp                             |                |                | 1,439,941       |                    |
| <b>Contract Labor</b>                     |                |                |                 | <b>(148,409)</b>   |
| Volume variance                           |                |                | (40,605)        |                    |
| Rate & Efficiency (Nursing & Non-Nursing) |                |                | (107,804)       |                    |

**Key Variance Explanations  
Month-To-Date**

|  | <b>Actual</b> | <b>Budget</b> | <b>Variance Detail</b> | <b>Variance</b>     |
|--|---------------|---------------|------------------------|---------------------|
| <b>Supplies</b>  |               |               |                        | <b>(686,307)</b>    |
| Volume variance  |               |               | (288,047)              |                     |
| Rate Variance  |               |               | (398,260)              |                     |
| Prosthesis .631  | (330,600)     |               |                        |                     |
| Other Minor Equipment .649                                   | (104,791)     |               |                        |                     |
| Other Non Medical .650                                       | (103,057)     |               |                        |                     |
| Pharmaceutical .638  | (59,058)      |               |                        |                     |
| Surgery General .634   | (43,554)      |               |                        |                     |
| <br><b>Professional Fees &amp; Purchased Services</b>        |               |               |                        | <br><b>133,999</b>  |
| Professional Fees & Purchased Services                       |               |               | 133,999                |                     |
| <br><b>Depreciation</b>                                      |               |               |                        | <br><b>61,035</b>   |
| Depreciation   |               |               | 61,035                 |                     |
| <br><b>Other Direct Expenses</b>                             |               |               |                        | <br><b>(32,493)</b> |
| Other  |               |               | (32,493)               |                     |
| <br><b>Total Actual to Budget Variance for February 2008</b> |               |               | <br><b>16,354</b>      | <br><b>16,354</b>   |

**Key Variance Explanations  
Year-To-Date**

|   | Actual             | Budget           | Variance Detail | Variance           |
|---|--------------------|------------------|-----------------|--------------------|
| <b>Net Income From Operations</b>           | <b>(3,586,087)</b> | <b>6,320,170</b> |                 | <b>(9,906,257)</b> |
| <b>Total Net Revenue</b>                    |                    |                  |                 | <b>567,039</b>     |
| Net Patient Revenue                         |                    |                  | 567,039         |                    |
| <b>Other Revenue</b>                        |                    |                  |                 | <b>(4,022,741)</b> |
| PPH Foundation                              |                    |                  | (2,358,679)     |                    |
| PPNC Health Development                     |                    |                  | (904,374)       |                    |
| Home Health Outreach                        |                    |                  | (789,792)       |                    |
| Welcome Home Baby                           |                    |                  | (568,863)       |                    |
| VHA Rebate                                  |                    |                  | 161,144         |                    |
| Graybill Auditorium water damage settlement |                    |                  | 210,978         |                    |
| Spartanburg Class Action Lawsuit            |                    |                  | 267,000         |                    |
| Other                                       |                    |                  | (40,155)        |                    |
| <b>Salaries &amp; Wages</b>                 |                    |                  |                 | <b>(4,734,283)</b> |
| Volume variance                             |                    |                  | 1,241,099       |                    |
| Rate & Efficiency                           |                    |                  | (5,975,382)     |                    |
| Bonus-Dec-22                                | (2,268,811)        |                  |                 |                    |
| Overtime                                    | (2,683,896)        |                  |                 |                    |
| <b>Benefits</b>                             |                    |                  |                 | <b>8,584</b>       |
| FICA  |                    |                  | (1,265,019)     |                    |
| Health and Dental                           |                    |                  | (682,108)       |                    |
| Pension                                     |                    |                  | 138,804         |                    |
| Other Benefits                              |                    |                  | 864,776         |                    |
| Worker's Comp                               |                    |                  | 952,131         |                    |
| <b>Contract Labor</b>                       |                    |                  |                 | <b>(1,428,143)</b> |
| Volume variance                             |                    |                  | 58,377          |                    |
| Rate & Efficiency (Nursing & Non-Nursing)   |                    |                  | (1,486,520)     |                    |

Key Variance Explanations  
Year-To-Date

|   | Actual    | Budget | Variance Detail    | Variance           |
|---|-----------|--------|--------------------|--------------------|
| <b>Supplies</b>   |           |        |                    | <b>(2,040,170)</b> |
| Volume variance   |           |        | 414,232            |                    |
| Rate Variance   |           |        | (2,454,402)        |                    |
| da Vinci Robot  | (311,739) |        |                    |                    |
| Prosthesis .631   | (836,082) |        |                    |                    |
| Surgery General .634  | (583,727) |        |                    |                    |
| Other Non Medical .650  | (505,680) |        |                    |                    |
| Supplies Other Medical .641                                   | (409,120) |        |                    |                    |
| Other Minor Equipment .649                                    | (256,837) |        |                    |                    |
| <b>Professional Fees</b>                                      |           |        |                    | <b>1,676,050</b>   |
| Consulting  |           |        | (304,713)          |                    |
| Public Relations/Advertising Oth Pro Fees                     |           |        | 268,725            |                    |
| WHB Other Pro Fees (for First Five Commission Subcontractors) |           |        | 540,792            |                    |
| Physician Income Guarantees Not Realized                      |           |        | 935,379            |                    |
| Other   |           |        | 235,867            |                    |
| <b>Purchased Services</b>                                     |           |        |                    | <b>(1,028,241)</b> |
| Repairs & Maintenance   |           |        | (543,207)          |                    |
| Disaster Relief Expenses                                      |           |        | (256,847)          |                    |
| Other   |           |        | (228,186)          |                    |
| <b>Depreciation</b>   |           |        |                    | <b>(86,515)</b>    |
| Depreciation  |           |        | (86,515)           |                    |
| <b>Other Direct Expenses</b>                                  |           |        |                    | <b>1,182,162</b>   |
| Rent building (POP)   |           |        | (1,145,217)        |                    |
| Marketing   |           |        | (414,369)          |                    |
| Foundation  |           |        | 1,595,759          |                    |
| Other   |           |        | 1,145,989          |                    |
|   |           |        | <b>(9,906,257)</b> | <b>(9,906,257)</b> |

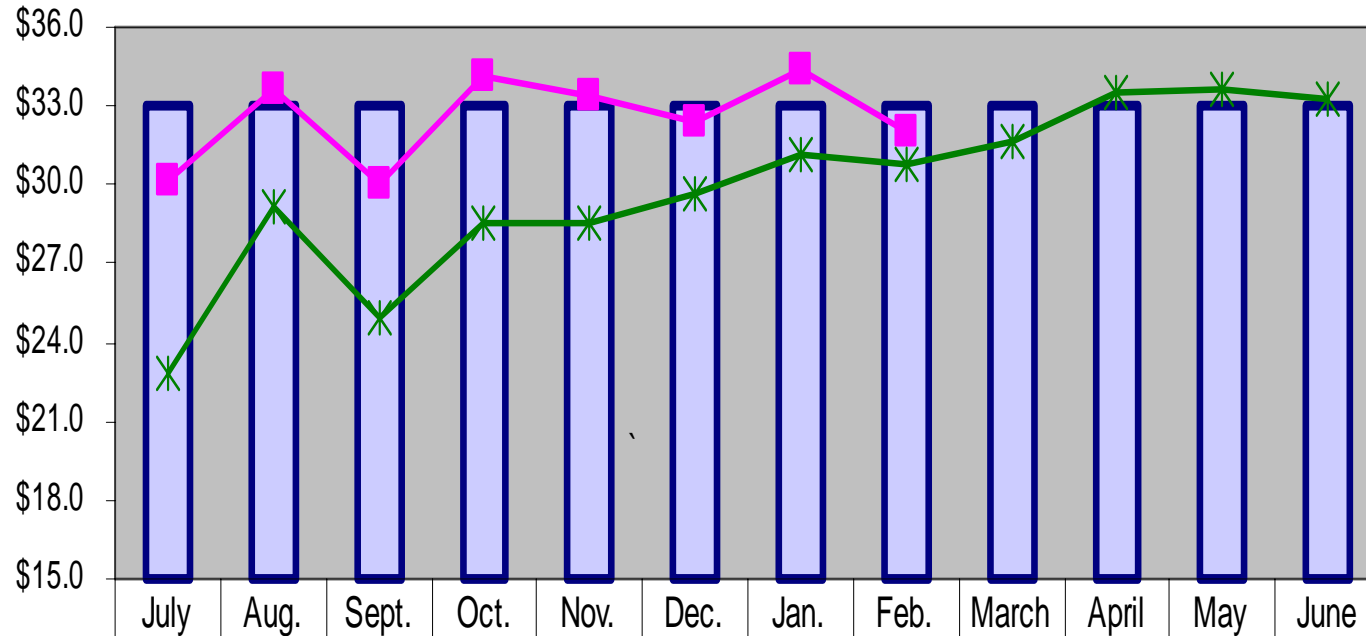


**Supplies Expense**  
Year-to-Date

| Account            | Descriptions                   | YTD Actual        | YTD Budget        | Variances          |
|--------------------|--------------------------------|-------------------|-------------------|--------------------|
| 631000             | Prosthesis                     | 10,202,160        | 9,366,078         | (836,082)          |
| 634000             | Supplies Surgery General       | 3,231,483         | 2,647,756         | (583,727)          |
| 650000             | Other Non Medical              | 4,785,652         | 4,279,972         | (505,680)          |
| 641000             | Supplies Other Medical         | 9,849,829         | 9,440,709         | (409,120)          |
| 649000             | Other Minor Equipment          | 792,705           | 535,868           | (256,837)          |
| 646000             | Supplies Office/Administration | 765,331           | 709,870           | (55,461)           |
| 647000             | Supplies Employee Apparel      | 96,467            | 61,909            | (34,558)           |
| 642000             | Supplies Food/Meat             | 370,764           | 341,970           | (28,794)           |
| 639000             | Supplies Radioactive           | 546,458           | 518,086           | (28,372)           |
| 636000             | Supplies Oxygen/Gas            | 203,809           | 175,669           | (28,140)           |
| 645000             | Supplies Cleaning              | 276,119           | 255,824           | (20,295)           |
| 644000             | Supplies Linen                 | 22,866            | 17,866            | (5,000)            |
| 635000             | Supplies Anesthesia Material   | 10,308            | 5,772             | (4,536)            |
| 648000             | Instruments/Minor Equipment    | 261,496           | 278,228           | 16,732             |
| 646100             | Supplies Forms                 | 387,462           | 406,523           | 19,061             |
| 632000             | Sutures/Surgical Needles       | 1,006,032         | 1,030,183         | 24,151             |
| 633000             | Supplies Surgical Pack         | 1,218,990         | 1,244,581         | 25,591             |
| 637000             | Supplies IV Solutions          | 314,610           | 344,619           | 30,009             |
| 640000             | Supplies X-ray Material        | 17,686            | 50,801            | 33,115             |
| 643000             | Supplies Food Other            | 1,701,758         | 1,757,615         | 55,857             |
| 638000             | Supplies Pharmaceutical        | 7,918,386         | 8,470,301         | 551,915            |
| <b>Grand Total</b> |                                | <b>43,980,370</b> | <b>41,940,200</b> | <b>(2,040,170)</b> |

→ da Vinci expenses=\$311,739.54

**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 | \$32.0 |        |        |        |        |

**Balance Sheet  
Consolidated**

|   | Current Month        | Prior Month          | Prior Fiscal Year End |
|---|----------------------|----------------------|-----------------------|
| <b>Assets</b>                             |                      |                      |                       |
| <b>Current Assets</b>                     |                      |                      |                       |
| Cash on Hand                              | \$10,065,937         | \$4,564,612          | \$1,365,825           |
| Cash Marketable Securities                | 65,234,669           | 75,114,113           | 107,847,524           |
| <b>Total Cash &amp; Cash Equivalents</b>  | <b>75,300,606</b>    | <b>79,678,725</b>    | <b>109,213,349</b>    |
| <b>Patient Accounts Receivable</b>        | 196,769,407          | 186,746,237          | 160,767,031           |
| Allowance on Accounts                     | -102,340,923         | -94,007,777          | -81,286,268           |
| <b>Net Accounts Receivable</b>            | <b>94,428,484</b>    | <b>92,738,460</b>    | <b>79,480,763</b>     |
| Inventories                               | 7,061,292            | 7,004,411            | 7,025,980             |
| Prepaid Expenses                          | 4,400,167            | 5,220,154            | 2,071,008             |
| Other                                     | 9,545,020            | 9,146,566            | 5,094,523             |
| <b>Total Current Assets</b>               | <b>190,735,569</b>   | <b>193,788,316</b>   | <b>202,885,623</b>    |
| <b>Non-Current Assets</b>                 |                      |                      |                       |
| Restricted Assets                         | 372,177,757          | 378,377,695          | 173,111,797           |
| Restricted by Donor                       | 302,156              | 300,765              | 296,184               |
| Board Designated                          | 14,231,843           | 16,141,523           | 0                     |
| <b>Total Restricted Assets</b>            | <b>386,711,756</b>   | <b>394,819,983</b>   | <b>173,407,981</b>    |
| Property Plant & Equipment                | 364,266,471          | 363,949,756          | 373,271,092           |
| Accumulated Depreciation                  | -225,918,732         | -225,531,144         | -222,304,232          |
| Construction in Process                   | 180,876,040          | 173,245,842          | 121,244,746           |
| <b>Net Property Plant &amp; Equipment</b> | <b>319,223,779</b>   | <b>311,664,454</b>   | <b>272,211,606</b>    |
| Investment in Related Companies           | 1,970,019            | 1,970,019            | 265,204               |
| Deferred Financing Costs                  | 20,289,114           | 20,240,721           | 17,245,255            |
| Other Non-Current Assets                  | 6,559,104            | 6,364,675            | 5,715,558             |
| <b>Total Non-Current Assets</b>           | <b>734,753,772</b>   | <b>735,059,852</b>   | <b>468,845,604</b>    |
| <b>Total Assets</b>                       | <b>\$925,489,341</b> | <b>\$928,848,168</b> | <b>\$671,731,227</b>  |

|   | Current Month        | Prior Month          | Prior Fiscal Year End |
|---|----------------------|----------------------|-----------------------|
| <b>Liabilities</b>                      |                      |                      |                       |
| <b>Current Liabilities</b>              |                      |                      |                       |
| Accounts Payable                        | \$17,754,966         | \$22,198,771         | \$27,500,989          |
| Accrued Payroll                         | 18,073,872           | 19,554,165           | 14,778,493            |
| Accrued PTO                             | 13,539,033           | 13,018,663           | 12,638,138            |
| Accrued Interest Payable                | 2,975,902            | 3,172,536            | 1,906,574             |
| Current Portion of Bonds                | 9,660,000            | 9,660,000            | 13,220,000            |
| Est Third Party Settlements             | -23,306              | -123,820             | -2,579,788            |
| Other Current Liabilities               | 17,565,789           | 18,452,334           | 12,085,069            |
| <b>Total Current Liabilities</b>        | <b>79,546,256</b>    | <b>85,932,649</b>    | <b>79,549,475</b>     |
| <b>Long Term Liabilities</b>            |                      |                      |                       |
| Bonds & Contracts Payable               | 532,006,592          | 531,987,720          | 294,723,824           |
| <b>General Fund Balance</b>             |                      |                      |                       |
| Unrestricted                            | 299,402,495          | 294,485,514          | 297,161,750           |
| Restricted for Other Purpose            | 302,156              | 300,765              | 296,184               |
| Board Designated                        | 14,231,843           | 16,141,523           | 0                     |
| <b>Total Fund Balance</b>               | <b>313,936,494</b>   | <b>310,927,802</b>   | <b>297,457,934</b>    |
| <b>Total Liabilities / Fund Balance</b> | <b>\$925,489,341</b> | <b>\$928,848,168</b> | <b>\$671,731,227</b>  |

**Income Statement: Fiscal Year-to-Date  
Consolidated – Weighted Patient Days**

|                                       |                     |                      |                         | Variance           |                       | \$/Wtg Pt Day   |                  |                   |
|---------------------------------------|---------------------|----------------------|-------------------------|--------------------|-----------------------|-----------------|------------------|-------------------|
|                                       | Actual              | Budget               | Variance                | Volume             | Rate/Eff              | Actual          | Budget           | Variance          |
| <b>Statistics:</b>                    |                     |                      |                         |                    |                       |                 |                  |                   |
| Admissions - Acute                    | 19,423              | 19,883               | (460)                   |                    |                       |                 |                  |                   |
| Admissions - SNF                      | 694                 | 765                  | (71)                    |                    |                       |                 |                  |                   |
| Patient Days - Acute                  | 76,222              | 76,075               | 147                     |                    |                       |                 |                  |                   |
| Patient Days - SNF                    | 50,691              | 51,525               | (834)                   |                    |                       |                 |                  |                   |
| ALOS - Acute                          | 3.92                | 3.83                 | 0.09                    |                    |                       |                 |                  |                   |
| ALOS - SNF                            | 73.47               | 68.06                | 5.41                    |                    |                       |                 |                  |                   |
| Weighted Patient Days                 | 106,209             | 104,347              | 1,862                   |                    |                       |                 |                  |                   |
| <b>Revenue:</b>                       |                     |                      |                         |                    |                       |                 |                  |                   |
| Gross Revenue                         | \$ 932,723,974      | \$ 902,160,254       | \$ 30,563,720 F         | \$ 16,098,425      | \$ 14,465,295         | \$ 8,781.97     | \$ 8,645.77      | \$ 136.20         |
| Deductions from Rev                   | (655,918,702)       | (625,922,021)        | (29,996,681) U          | (11,169,145)       | (18,827,536)          | (6,175.74)      | (5,998.47)       | (177.27)          |
| Net Patient Revenue                   | 276,805,272         | 276,238,233          | 567,039 F               | 4,929,280          | (4,362,241)           | 2,606.23        | 2,647.30         | (41.07)           |
| Other Oper Revenue                    | 6,042,330           | 10,065,071           | (4,022,741) U           | 179,604            | (4,202,345)           | 56.89           | 96.46            | (39.57)           |
| <b>Total Net Revenue</b>              | <b>282,847,602</b>  | <b>286,303,304</b>   | <b>(3,455,702) U</b>    | <b>5,108,884</b>   | <b>(8,564,586)</b>    | <b>2,663.12</b> | <b>2,743.76</b>  | <b>(80.64)</b>    |
| <b>Expenses:</b>                      |                     |                      |                         |                    |                       |                 |                  |                   |
| Salaries, Wages & Contr Labor         | 137,731,941         | 131,569,516          | (6,162,425) U           | (2,347,767)        | (3,814,658)           | 1,296.80        | 1,260.88         | (35.92)           |
| Benefits                              | 33,162,877          | 33,171,461           | 8,584 F                 | (591,922)          | 600,506               | 312.24          | 317.90           | 5.65              |
| Supplies                              | 43,980,369          | 41,940,200           | (2,040,169) U           | (748,394)          | (1,291,775)           | 414.09          | 401.93           | (12.16)           |
| Prof Fees & Purch Svc                 | 40,844,219          | 41,492,028           | 647,809 F               | (740,397)          | 1,388,206             | 384.56          | 397.64           | 13.07             |
| Depreciation                          | 14,300,487          | 14,213,972           | (86,515) U              | (253,638)          | 167,123               | 134.64          | 136.22           | 1.57              |
| Other                                 | 16,413,795          | 17,595,957           | 1,182,162 F             | (313,988)          | 1,496,150             | 154.54          | 168.63           | 14.09             |
| <b>Total Expenses</b>                 | <b>286,433,689</b>  | <b>279,983,134</b>   | <b>(6,450,554) U</b>    | <b>(4,996,105)</b> | <b>(1,454,449)</b>    | <b>2,696.89</b> | <b>2,683.19</b>  | <b>(13.69)</b>    |
| <b>Net Inc Before Non-Oper Income</b> | <b>(3,586,087)</b>  | <b>6,320,170</b>     | <b>(9,906,256) U</b>    | <b>112,779</b>     | <b>(10,019,035)</b>   | <b>(33.76)</b>  | <b>60.57</b>     | <b>(94.33)</b>    |
| Property Tax Revenue                  | 9,000,000           | 9,000,000            | - -                     | 160,599            | (160,599)             | 84.74           | 86.25            | (1.51)            |
| Non-Operating Income                  | 3,990,148           | 530,546              | 3,459,602 F             | 9,467              | 3,450,135             | 37.57           | 5.08             | 32.48             |
| <b>Net Income (Loss)</b>              | <b>\$ 9,404,061</b> | <b>\$ 15,850,716</b> | <b>\$ (6,446,655) U</b> | <b>\$ 282,845</b>  | <b>\$ (6,729,499)</b> | <b>\$ 88.54</b> | <b>\$ 151.90</b> | <b>\$ (63.36)</b> |
| Net Income Margin                     | 3.1%                | 5.3%                 | -2.2%                   |                    |                       |                 |                  |                   |
| OEBITDA Margin w/o Prop Tax           | 3.5%                | 6.8%                 | -3.3%                   |                    |                       |                 |                  |                   |
| OEBITDA Margin with Prop Tax          | 6.5%                | 9.8%                 | -3.3%                   |                    |                       |                 |                  |                   |

F= Favorable variance  
U= Unfavorable variance

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

|                                       |                     |                     |                     | Variance           |                     | \$/Wtg Pt Day    |                  |                  |
|---------------------------------------|---------------------|---------------------|---------------------|--------------------|---------------------|------------------|------------------|------------------|
|                                       | Actual              | Budget              | Variance            | Volume             | Rate/Eff            | Actual           | Budget           | Variance         |
| <b>Statistics:</b>                    |                     |                     |                     |                    |                     |                  |                  |                  |
| Admissions - Acute                    | 2,472               | 2,363               | 109                 |                    |                     |                  |                  |                  |
| Admissions - SNF                      | 85                  | 92                  | (7)                 |                    |                     |                  |                  |                  |
| Patient Days - Acute                  | 9,970               | 9,041               | 929                 |                    |                     |                  |                  |                  |
| Patient Days - SNF                    | 5,932               | 6,125               | (193)               |                    |                     |                  |                  |                  |
| ALOS - Acute                          | 4.04                | 3.83                | 0.21                |                    |                     |                  |                  |                  |
| ALOS - SNF                            | 68.98               | 67.31               | 1.67                |                    |                     |                  |                  |                  |
| Weighted Patient Days                 | 13,874              | 12,402              | 1,472               |                    |                     |                  |                  |                  |
| <b>Revenue:</b>                       |                     |                     |                     |                    |                     |                  |                  |                  |
| Gross Revenue                         | \$ 120,370,754      | \$ 107,203,710      | \$ 13,167,044 F     | \$ 12,724,066      | \$ 442,978          | \$ 8,675.99      | \$ 8,644.07      | \$ 31.93         |
| Deductions from Rev                   | (86,557,550)        | (74,392,380)        | (12,165,170) U      | (8,829,671)        | (3,335,499)         | (6,238.83)       | (5,998.42)       | (240.41)         |
| Net Patient Revenue                   | 33,813,204          | 32,811,330          | 1,001,874 F         | 3,894,394          | (2,892,520)         | 2,437.16         | 2,645.65         | (208.48)         |
| Other Oper Revenue                    | 722,950             | 1,258,133           | (535,183) U         | 149,328            | (684,511)           | 52.11            | 101.45           | (49.34)          |
| <b>Total Net Revenue</b>              | <b>34,536,154</b>   | <b>34,069,463</b>   | <b>466,691 F</b>    | <b>4,043,723</b>   | <b>(3,577,032)</b>  | <b>2,489.27</b>  | <b>2,747.09</b>  | <b>(257.82)</b>  |
| <b>Expenses:</b>                      |                     |                     |                     |                    |                     |                  |                  |                  |
| Salaries, Wages & Contr Labor         | 16,891,071          | 15,665,345          | (1,225,726) U       | (1,859,328)        | 633,602             | 1,217.46         | 1,263.13         | 45.67            |
| Benefits                              | 2,647,480           | 3,946,635           | 1,299,155 F         | (468,428)          | 1,767,583           | 190.82           | 318.23           | 127.40           |
| Supplies                              | 5,671,856           | 4,985,549           | (686,307) U         | (591,737)          | (94,570)            | 408.81           | 402.00           | (6.82)           |
| Prof Fees & Purch Svc                 | 4,604,768           | 4,738,767           | 134,000 F           | (562,447)          | 696,446             | 331.90           | 382.10           | 50.20            |
| Depreciation                          | 1,721,380           | 1,782,415           | 61,035 F            | (211,556)          | 272,591             | 124.07           | 143.72           | 19.65            |
| Other                                 | 2,178,440           | 2,145,947           | (32,493) U          | (254,704)          | 222,211             | 157.02           | 173.03           | 16.02            |
| <b>Total Expenses</b>                 | <b>33,714,995</b>   | <b>33,264,658</b>   | <b>(450,337) U</b>  | <b>(3,948,200)</b> | <b>3,497,863</b>    | <b>2,430.08</b>  | <b>2,682.20</b>  | <b>252.12</b>    |
| <b>Net Inc Before Non-Oper Income</b> | <b>821,159</b>      | <b>804,805</b>      | <b>16,354 F</b>     | <b>95,523</b>      | <b>(79,169)</b>     | <b>59.19</b>     | <b>64.89</b>     | <b>(5.71)</b>    |
| Property Tax Revenue                  | 1,125,000           | 1,125,000           | - -                 | 133,527            | (133,527)           | 81.09            | 90.71            | (9.62)           |
| Non-Operating Income                  | 161,786             | 66,319              | 95,467 F            | 7,871              | 87,596              | 11.66            | 5.35             | 6.31             |
| <b>Net Income (Loss)</b>              | <b>\$ 2,107,945</b> | <b>\$ 1,996,124</b> | <b>\$ 111,821 F</b> | <b>\$ 236,921</b>  | <b>\$ (125,100)</b> | <b>\$ 151.93</b> | <b>\$ 160.95</b> | <b>\$ (9.02)</b> |
| Net Income Margin                     | 5.3%                | 5.6%                | -0.3%               |                    |                     |                  |                  |                  |
| OEBITDA Margin w/o Prop Tax           | 6.4%                | 7.3%                | -0.9%               |                    |                     |                  |                  |                  |
| OEBITDA Margin with Prop Tax          | 9.2%                | 10.4%               | -1.2%               |                    |                     |                  |                  |                  |

F= Favorable variance  
 U= Unfavorable variance

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

|                                       |                     |                      |                         | Variance             |                        | \$/Wtg Pt Day   |                  |                    |
|---------------------------------------|---------------------|----------------------|-------------------------|----------------------|------------------------|-----------------|------------------|--------------------|
|                                       | February 08<br>YTD  | February 07<br>YTD   | Variance                | Volume               | Rate/Eff               | Actual          | Budget           | Variance           |
| <b>Statistics:</b>                    |                     |                      |                         |                      |                        |                 |                  |                    |
| Admissions - Acute                    | 19,423              | 16,957               | 2,466                   |                      |                        |                 |                  |                    |
| Admissions - SNF                      | 694                 | 688                  | 6                       |                      |                        |                 |                  |                    |
| Patient Days - Acute                  | 76,222              | 65,384               | 10,838                  |                      |                        |                 |                  |                    |
| Patient Days - SNF                    | 50,691              | 45,357               | 5,334                   |                      |                        |                 |                  |                    |
| ALOS - Acute                          | 3.92                | 3.82                 | 0.10                    |                      |                        |                 |                  |                    |
| ALOS - SNF                            | 73.47               | 67.30                | 6.17                    |                      |                        |                 |                  |                    |
| Weighted Patient Days                 | 106,209             | 23,226               | 82,983                  |                      |                        |                 |                  |                    |
| <b>Revenue:</b>                       |                     |                      |                         |                      |                        |                 |                  |                    |
| Gross Revenue                         | \$ 932,723,974      | \$ 817,164,212       | \$ 115,559,762 F        | \$ 2,919,604,659     | \$ (2,804,044,897)     | \$ 8,781.97     | \$ 35,183.17     | \$ (26,401.20)     |
| Deductions from Rev                   | (655,918,702)       | (565,894,232)        | (90,024,470) U          | (2,021,854,863)      | 1,931,830,393          | (6,175.74)      | (24,364.69)      | 18,188.95          |
| Net Patient Revenue                   | 276,805,272         | 251,269,980          | 25,535,292 F            | 897,749,796          | (872,214,504)          | 2,606.23        | 10,818.48        | (8,212.25)         |
| Other Oper Revenue                    | 6,042,330           | 6,950,316            | (907,986) U             | 24,832,432           | (25,740,418)           | 56.89           | 299.25           | (242.36)           |
| <b>Total Net Revenue</b>              | <b>282,847,602</b>  | <b>258,220,296</b>   | <b>24,627,306 F</b>     | <b>922,582,228</b>   | <b>(897,954,922)</b>   | <b>2,663.12</b> | <b>11,117.73</b> | <b>(8,454.60)</b>  |
| <b>Expenses:</b>                      |                     |                      |                         |                      |                        |                 |                  |                    |
| Salaries, Wages & Contr Labor         | 137,731,941         | 122,115,321          | (15,616,620) U          | (436,299,651)        | 420,683,031            | 1,296.80        | 5,257.70         | 3,960.90           |
| Benefits                              | 33,162,877          | 31,038,233           | (2,124,644) U           | (110,894,932)        | 108,770,288            | 312.24          | 1,336.36         | 1,024.12           |
| Supplies                              | 43,980,369          | 39,900,652           | (4,079,717) U           | (142,559,020)        | 138,479,303            | 414.09          | 1,717.93         | 1,303.84           |
| Prof Fees & Purch Svc                 | 40,844,219          | 34,592,473           | (6,251,746) U           | (123,593,696)        | 117,341,950            | 384.56          | 1,489.39         | 1,104.82           |
| Depreciation                          | 14,300,487          | 13,181,657           | (1,118,830) U           | (47,096,075)         | 45,977,245             | 134.64          | 567.54           | 432.89             |
| Other                                 | 16,413,795          | 14,682,979           | (1,730,816) U           | (52,460,073)         | 50,729,257             | 154.54          | 632.18           | 477.64             |
| <b>Total Expenses</b>                 | <b>286,433,688</b>  | <b>255,511,315</b>   | <b>(30,922,373) U</b>   | <b>(912,903,447)</b> | <b>881,981,074</b>     | <b>2,696.89</b> | <b>11,001.09</b> | <b>8,304.20</b>    |
| <b>Net Inc Before Non-Oper Income</b> | <b>(3,586,086)</b>  | <b>2,708,981</b>     | <b>(6,295,067) U</b>    | <b>9,678,781</b>     | <b>(15,973,848)</b>    | <b>(33.76)</b>  | <b>116.64</b>    | <b>(150.40)</b>    |
| Property Tax Revenue                  | 9,000,000           | 8,433,328            | 566,672 F               | 30,131,011           | (29,564,339)           | 84.74           | 363.10           | (278.36)           |
| Non-Operating Income                  | 3,990,148           | 1,987,061            | 2,003,087 F             | 7,099,470            | (5,096,383)            | 37.57           | 85.55            | (47.98)            |
| <b>Net Income (Loss)</b>              | <b>\$ 9,404,061</b> | <b>\$ 13,129,370</b> | <b>\$ (3,725,308) U</b> | <b>\$ 46,909,262</b> | <b>\$ (50,634,570)</b> | <b>\$ 88.54</b> | <b>\$ 565.29</b> | <b>\$ (476.74)</b> |
| Net Income Margin                     | 3.1%                | 4.8%                 | -1.7%                   |                      |                        |                 |                  |                    |
| OEBITDA Margin w/o Prop Tax           | 3.5%                | 5.8%                 | -2.3%                   |                      |                        |                 |                  |                    |
| OEBITDA Margin with Prop Tax          | 6.5%                | 8.9%                 | -2.4%                   |                      |                        |                 |                  |                    |

F= Favorable variance  
U= Unfavorable variance

**F I S C A L Y E A R 2 0 0 8**  
**Income Statement: Fiscal Year Projection**  
**Consolidated – Weighted Patient Days**

|                                       |                      |                      |                         | Variance            |                       | \$/Wtg Pt Day    |                  |                    |
|---------------------------------------|----------------------|----------------------|-------------------------|---------------------|-----------------------|------------------|------------------|--------------------|
|                                       | 8 Act + 4 Bud        | FY 08 Budget         | Variance                | Volume              | Rate/Eff              | Actual           | Budget           | Variance           |
| <b>Statistics:</b>                    |                      |                      |                         |                     |                       |                  |                  |                    |
| Admissions - Acute                    | 29,367               | 29,827               | (460)                   |                     |                       |                  |                  |                    |
| Admissions - SNF                      | 1,076                | 1,147                | (71)                    |                     |                       |                  |                  |                    |
| Patient Days - Acute                  | 114,258              | 114,111              | 147                     |                     |                       |                  |                  |                    |
| Patient Days - SNF                    | 76,429               | 77,263               | (834)                   |                     |                       |                  |                  |                    |
| Weighted Patient Days                 | 42,259               | 40,397               | 1,862                   |                     |                       |                  |                  |                    |
| <b>Revenue:</b>                       |                      |                      |                         |                     |                       |                  |                  |                    |
| Gross Revenue                         | \$ 1,383,828,987     | \$ 1,353,265,267     | \$ 30,563,722 F         | \$ 62,375,422       | \$ (31,811,702)       | \$ 32,746.37     | \$ 33,499.15     | \$ (752.78)        |
| Deductions from Rev                   | (968,879,750)        | (938,883,067)        | (29,996,683) U          | (43,275,497)        | 13,278,814            | (22,927.18)      | (23,241.41)      | 314.22             |
| Net Patient Revenue                   | 414,949,237          | 414,382,200          | 567,039 F               | 19,099,925          | (18,532,888)          | 9,819.19         | 10,257.75        | (438.55)           |
| Other Oper Revenue                    | 11,074,865           | 15,097,606           | (4,022,741) U           | 695,887             | (4,718,628)           | 262.07           | 373.73           | (111.66)           |
| <b>Total Net Revenue</b>              | <b>426,024,102</b>   | <b>429,479,806</b>   | <b>(3,455,702) U</b>    | <b>19,795,812</b>   | <b>(23,251,516)</b>   | <b>10,081.26</b> | <b>10,631.48</b> | <b>(550.21)</b>    |
| <b>Expenses:</b>                      |                      |                      |                         |                     |                       |                  |                  |                    |
| Salaries, Wages & Contr Labor         | 203,516,584          | 197,354,158          | (6,162,426) U           | (9,096,553)         | 2,934,127             | 4,815.93         | 4,885.37         | 69.43              |
| Benefits                              | 49,748,562           | 49,757,147           | 8,585 F                 | (2,293,433)         | 2,302,018             | 1,177.23         | 1,231.70         | 54.47              |
| Supplies                              | 64,954,442           | 62,914,273           | (2,040,169) U           | (2,899,878)         | 859,709               | 1,537.06         | 1,557.40         | 20.34              |
| Prof Fees & Purch Svc                 | 60,281,022           | 60,928,830           | 647,807 F               | (2,808,364)         | 3,456,172             | 1,426.47         | 1,508.25         | 81.79              |
| Depreciation                          | 21,430,147           | 21,343,632           | (86,515) U              | (983,782)           | 897,267               | 507.11           | 528.35           | 21.23              |
| Other                                 | 25,211,802           | 26,393,963           | 1,182,161 F             | (1,216,565)         | 2,398,726             | 596.60           | 653.36           | 56.76              |
| <b>Total Expenses</b>                 | <b>425,142,559</b>   | <b>418,692,003</b>   | <b>(6,450,557) U</b>    | <b>(19,298,574)</b> | <b>12,848,018</b>     | <b>10,060.40</b> | <b>10,364.43</b> | <b>304.03</b>      |
| <b>Net Inc Before Non-Oper Income</b> | <b>881,543</b>       | <b>10,787,803</b>    | <b>(9,906,259) U</b>    | <b>497,237</b>      | <b>(10,403,497)</b>   | <b>20.86</b>     | <b>267.04</b>    | <b>(246.18)</b>    |
| Property Tax Revenue                  | 13,500,000           | 13,500,000           | - -                     | 622,249             | (622,249)             | 319.46           | 334.18           | (14.72)            |
| Non-Operating Income                  | 4,255,424            | 795,822              | 3,459,600 F             | 36,681              | 3,422,921             | 100.70           | 19.70            | 81.00              |
| <b>Net Income (Loss)</b>              | <b>\$ 18,636,967</b> | <b>\$ 25,083,625</b> | <b>\$ (6,446,655) U</b> | <b>\$ 1,156,168</b> | <b>\$ (7,602,826)</b> | <b>\$ 441.02</b> | <b>\$ 620.93</b> | <b>\$ (179.91)</b> |
| Net Income Margin                     | 4.1%                 | 5.6%                 | -1.5%                   |                     |                       |                  |                  |                    |
| OEBITDA Margin w/o Prop Tax           | 4.9%                 | 7.1%                 | -2.2%                   |                     |                       |                  |                  |                    |
| OEBITDA Margin with Prop Tax          | 7.9%                 | 10.1%                | -2.2%                   |                     |                       |                  |                  |                    |

F= Favorable variance  
U= Unfavorable variance

**F I S C A L Y E A R 2 0 0 8**  
**Income Statement: Monthly Trend**  
**Consolidated**

|                                       | Jul                 | Aug                 | Sep                 | Oct                 | Nov                 | Dec                   | Jan                | Feb                 | YTD                 |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|--------------------|---------------------|---------------------|
| <b>Statistics:</b>                    |                     |                     |                     |                     |                     |                       |                    |                     |                     |
| Admissions - Acute                    | 2,378               | 2,480               | 2,369               | 2,386               | 2,420               | 2,432                 | 2,486              | 2,472               | 19,423              |
| Admissions - SNF                      | 98                  | 83                  | 95                  | 82                  | 79                  | 97                    | 75                 | 85                  | 694                 |
| Patient Days - Acute                  | 9,000               | 9,910               | 9,617               | 9,161               | 9,291               | 9,397                 | 9,876              | 9,970               | 76,222              |
| Patient Days - SNF                    | 6,453               | 6,703               | 6,262               | 6,200               | 6,252               | 6,441                 | 6,448              | 5,932               | 50,691              |
| LOS - Acute                           | 3.77                | 4.03                | 4.03                | 3.85                | 3.84                | 3.82                  | 3.95               | 4.04                | 3.92                |
| LOS - SNF                             | 74.17               | 77.94               | 63.90               | 68.89               | 90.61               | 68.52                 | 80.60              | 68.98               | 73.47               |
| Weighted Patient Days                 | 12,587              | 13,756              | 13,284              | 12,775              | 12,969              | 13,000                | 13,967             | 13,874              | 106,209             |
| Adjusted Discharges                   | 3,283               | 3,357               | 3,250               | 3,272               | 3,305               | 3,357                 | 3,458              | 3,387               | 26,666              |
| <b>Revenue:</b>                       |                     |                     |                     |                     |                     |                       |                    |                     |                     |
| Gross Revenue                         | \$ 111,773,221      | \$ 122,404,049      | \$ 116,030,872      | \$ 113,082,612      | \$ 114,581,236      | \$ 114,323,264        | \$ 120,157,964     | \$ 120,370,754      | \$ 932,723,974      |
| Deductions from Rev                   | (78,069,250)        | (86,911,029)        | (80,952,920)        | (79,532,906)        | (78,791,347)        | (79,944,031)          | (85,159,672)       | (86,557,550)        | (655,918,702)       |
| Net Patient Revenue                   | 33,703,971          | 35,493,020          | 35,077,952          | 33,549,706          | 35,789,889          | 34,379,233            | 34,998,292         | 33,813,204          | 276,805,272         |
| Other Oper Revenue                    | 701,388             | 986,768             | 719,079             | 1,046,518           | 644,683             | 657,106               | 563,842            | 722,950             | 6,042,330           |
| <b>Total Net Revenue</b>              | <b>34,405,359</b>   | <b>36,479,788</b>   | <b>35,797,031</b>   | <b>34,596,224</b>   | <b>36,434,572</b>   | <b>35,036,339</b>     | <b>35,562,134</b>  | <b>34,536,154</b>   | <b>282,847,602</b>  |
| <b>Expenses:</b>                      |                     |                     |                     |                     |                     |                       |                    |                     |                     |
| 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         | 16,891,071          | 137,731,941         |
| Benefits                              | 4,208,437           | 4,396,919           | 4,327,260           | 4,393,500           | 4,252,006           | 4,406,086             | 4,531,188          | 2,647,480           | 33,162,877          |
| Supplies                              | 4,942,769           | 5,720,791           | 5,111,919           | 5,436,382           | 5,624,615           | 5,349,701             | 6,122,338          | 5,671,856           | 43,980,369          |
| 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          | 4,604,768           | 40,844,219          |
| Depreciation                          | 1,787,630           | 1,785,978           | 1,804,198           | 1,804,702           | 1,911,015           | 1,887,683             | 1,597,900          | 1,721,380           | 14,300,487          |
| Other                                 | 2,455,357           | 1,944,304           | 1,937,161           | 2,125,075           | 1,797,432           | 1,785,175             | 2,190,850          | 2,178,440           | 16,413,795          |
| <b>Total Expenses</b>                 | <b>33,844,418</b>   | <b>35,547,763</b>   | <b>35,121,185</b>   | <b>36,616,712</b>   | <b>36,416,627</b>   | <b>38,343,876</b>     | <b>36,828,112</b>  | <b>33,714,995</b>   | <b>286,433,689</b>  |
| <b>Net Inc Before Non-Oper Income</b> | <b>560,941</b>      | <b>932,026</b>      | <b>675,846</b>      | <b>(2,020,488)</b>  | <b>17,945</b>       | <b>(3,307,537)</b>    | <b>(1,265,978)</b> | <b>821,159</b>      | <b>(3,586,087)</b>  |
| Property Tax Revenue                  | 1,125,000           | 1,125,000           | 1,125,000           | 1,125,000           | 1,125,000           | 1,125,000             | 1,125,000          | 1,125,000           | 9,000,000           |
| Non-Operating Income                  | 331,466             | 517,863             | 795,728             | 174,686             | 918,390             | 76,272                | 1,013,956          | 161,786             | 3,990,148           |
| <b>Net Income (Loss)</b>              | <b>\$ 2,017,407</b> | <b>\$ 2,574,888</b> | <b>\$ 2,596,574</b> | <b>\$ (720,802)</b> | <b>\$ 2,061,335</b> | <b>\$ (2,106,265)</b> | <b>\$ 872,978</b>  | <b>\$ 2,107,945</b> | <b>\$ 9,404,061</b> |
| Net Income Margin                     | 5.8%                | 5.8%                | 7.3%                | -2.1%               | 5.2%                | -5.7%                 | 2.3%               | 5.3%                | 3.1%                |
| OEBITDA Margin w/o Prop Tax           | 6.8%                | 6.1%                | 7.0%                | -0.6%               | 4.9%                | -3.8%                 | 0.9%               | 6.4%                | 3.5%                |
| OEBITDA Margin with Prop Tax          | 10.1%               | 8.6%                | 10.1%               | 2.6%                | 7.7%                | -0.8%                 | 3.8%               | 9.2%                | 6.5%                |



**Income Statement: Fiscal Year-to-Date  
Consolidated – Adjusted Discharges**

|                                       |                     |                      |                         | Variance            |                       | \$/Adjusted Discharges |                  |                    |  |
|---------------------------------------|---------------------|----------------------|-------------------------|---------------------|-----------------------|------------------------|------------------|--------------------|--|
|                                       | Actual              | Budget               | Variance                | Volume              | Rate/Eff              | Actual                 | Budget           | Variance           |  |
| <b>Statistics:</b>                    |                     |                      |                         |                     |                       |                        |                  |                    |  |
| Admissions - Acute                    | 19,423              | 19,883               | (460)                   |                     |                       |                        |                  |                    |  |
| Admissions - SNF                      | 694                 | 765                  | (71)                    |                     |                       |                        |                  |                    |  |
| Patient Days - Acute                  | 76,222              | 76,075               | 147                     |                     |                       |                        |                  |                    |  |
| Patient Days - SNF                    | 50,691              | 51,525               | (834)                   |                     |                       |                        |                  |                    |  |
| ALOS - Acute                          | 3.92                | 3.83                 | 0.09                    |                     |                       |                        |                  |                    |  |
| ALOS - SNF                            | 73.47               | 68.06                | 5.41                    |                     |                       |                        |                  |                    |  |
| Adjusted Discharges                   | 26,666              | 26,932               | (266)                   |                     |                       |                        |                  |                    |  |
| <b>Revenue:</b>                       |                     |                      |                         |                     |                       |                        |                  |                    |  |
| Gross Revenue                         | \$ 932,723,974      | \$ 902,160,254       | \$ 30,563,720 F         | \$ (8,910,390)      | \$ 39,474,110         | \$34,978.02            | \$ 33,497.71     | \$ 1,480.32        |  |
| Deductions from Rev                   | (655,918,702)       | (625,922,021)        | (29,996,681) U          | 6,182,061           | (36,178,742)          | (24,597.57)            | (23,240.83)      | (1,356.74)         |  |
| Net Patient Revenue                   | 276,805,272         | 276,238,233          | 567,039 F               | (2,728,329)         | 3,295,368             | 10,380.46              | 10,256.88        | 123.58             |  |
| Other Oper Revenue                    | 6,042,330           | 10,065,071           | (4,022,741) U           | (99,410)            | (3,923,331)           | 226.59                 | 373.72           | (147.13)           |  |
| <b>Total Net Revenue</b>              | <b>282,847,602</b>  | <b>286,303,304</b>   | <b>(3,455,702) U</b>    | <b>(2,827,739)</b>  | <b>(627,963)</b>      | <b>10,607.05</b>       | <b>10,630.60</b> | <b>(23.55)</b>     |  |
| <b>Expenses:</b>                      |                     |                      |                         |                     |                       |                        |                  |                    |  |
| Salaries, Wages & Contr Labor         | 137,731,941         | 131,569,516          | (6,162,425) U           | 1,299,476           | (7,461,901)           | 5,165.08               | 4,885.25         | (279.83)           |  |
| Benefits                              | 33,162,877          | 33,171,461           | 8,584 F                 | 327,625             | (319,041)             | 1,243.64               | 1,231.67         | (11.96)            |  |
| Supplies                              | 43,980,369          | 41,940,200           | (2,040,169) U           | 414,232             | (2,454,401)           | 1,649.31               | 1,557.26         | (92.04)            |  |
| Prof Fees & Purch Svc                 | 40,844,219          | 41,492,028           | 647,809 F               | 409,805             | 238,004               | 1,531.70               | 1,540.62         | 8.93               |  |
| Depreciation                          | 14,300,487          | 14,213,972           | (86,515) U              | 140,388             | (226,903)             | 536.28                 | 527.77           | (8.51)             |  |
| Other                                 | 16,413,795          | 17,595,957           | 1,182,162 F             | 173,790             | 1,008,372             | 615.53                 | 653.35           | 37.81              |  |
| <b>Total Expenses</b>                 | <b>286,433,689</b>  | <b>279,983,134</b>   | <b>(6,450,554) U</b>    | <b>2,765,317</b>    | <b>(9,215,871)</b>    | <b>10,741.53</b>       | <b>10,395.93</b> | <b>(345.60)</b>    |  |
| <b>Net Inc Before Non-Oper Income</b> | <b>(3,586,087)</b>  | <b>6,320,170</b>     | <b>(9,906,256) U</b>    | <b>(62,423)</b>     | <b>(9,843,833)</b>    | <b>(134.48)</b>        | <b>234.67</b>    | <b>(369.15)</b>    |  |
| Property Tax Revenue                  | 9,000,000           | 9,000,000            | - -                     | (88,891)            | 88,891                | 337.51                 | 334.17           | 3.33               |  |
| Non-Operating Income                  | 3,990,148           | 530,546              | 3,459,602 F             | (5,240)             | 3,464,842             | 149.63                 | 19.70            | 129.93             |  |
| <b>Net Income (Loss)</b>              | <b>\$ 9,404,061</b> | <b>\$ 15,850,716</b> | <b>\$ (6,446,655) U</b> | <b>\$ (156,553)</b> | <b>\$ (6,290,101)</b> | <b>\$ 352.66</b>       | <b>\$ 588.55</b> | <b>\$ (235.88)</b> |  |
| Net Income Margin                     | 3.1%                | 5.3%                 | -2.2%                   |                     |                       |                        |                  |                    |  |
| OEBITDA Margin w/o Prop Tax           | 3.5%                | 6.8%                 | -3.3%                   |                     |                       |                        |                  |                    |  |
| OEBITDA Margin with Prop Tax          | 6.5%                | 9.8%                 | -3.3%                   |                     |                       |                        |                  |                    |  |

F= Favorable variance  
U= Unfavorable variance

**Income Statement: Month-to-Date**  
**Consolidated – Adjusted Discharges**

|                                       |                     |                     |                     | Variance           |                    | \$/Adjusted Discharges |                  |                  |
|---------------------------------------|---------------------|---------------------|---------------------|--------------------|--------------------|------------------------|------------------|------------------|
|                                       | Actual              | Budget              | Variance            | Volume             | Rate/Eff           | Actual                 | Budget           | Variance         |
| <b>Statistics:</b>                    |                     |                     |                     |                    |                    |                        |                  |                  |
| Admissions - Acute                    | 2,472               | 2,363               | 109                 |                    |                    |                        |                  |                  |
| Admissions - SNF                      | 85                  | 92                  | (7)                 |                    |                    |                        |                  |                  |
| Patient Days - Acute                  | 9,970               | 9,041               | 929                 |                    |                    |                        |                  |                  |
| Patient Days - SNF                    | 5,932               | 6,125               | (193)               |                    |                    |                        |                  |                  |
| ALOS - Acute                          | 4.04                | 3.83                | 0.21                |                    |                    |                        |                  |                  |
| ALOS - SNF                            | 68.98               | 67.31               | 1.67                |                    |                    |                        |                  |                  |
| Adjusted Discharges                   | 3,387               | 3,202               | 185                 |                    |                    |                        |                  |                  |
| <b>Revenue:</b>                       |                     |                     |                     |                    |                    |                        |                  |                  |
| Gross Revenue                         | \$ 120,370,754      | \$ 107,203,710      | \$ 13,167,044 F     | \$ 6,193,843       | \$ 6,973,201       | \$35,539.05            | \$ 33,480.23     | \$ 2,058.81      |
| Deductions from Rev                   | (86,557,550)        | (74,392,380)        | (12,165,170) U      | (4,298,123)        | (7,867,047)        | (25,555.82)            | (23,233.10)      | (2,322.72)       |
| Net Patient Revenue                   | 33,813,204          | 32,811,330          | 1,001,874 F         | 1,895,720          | (893,846)          | 9,983.23               | 10,247.14        | (263.90)         |
| Other Oper Revenue                    | 722,950             | 1,258,133           | (535,183) U         | 72,690             | (607,873)          | 213.45                 | 392.92           | (179.47)         |
| <b>Total Net Revenue</b>              | <b>34,536,154</b>   | <b>34,069,463</b>   | <b>466,691 F</b>    | <b>1,968,411</b>   | <b>(1,501,720)</b> | <b>10,196.68</b>       | <b>10,640.06</b> | <b>(443.38)</b>  |
| <b>Expenses:</b>                      |                     |                     |                     |                    |                    |                        |                  |                  |
| Salaries, Wages & Contr Labor         | 16,891,071          | 15,665,345          | (1,225,726) U       | (905,087)          | (320,639)          | 4,987.03               | 4,892.36         | (94.67)          |
| Benefits                              | 2,647,480           | 3,946,635           | 1,299,155 F         | (228,022)          | 1,527,177          | 781.66                 | 1,232.55         | 450.89           |
| Supplies                              | 5,671,856           | 4,985,549           | (686,307) U         | (288,047)          | (398,260)          | 1,674.60               | 1,557.01         | (117.58)         |
| Prof Fees & Purch Svc                 | 4,604,768           | 4,738,767           | 134,000 F           | (273,789)          | 407,788            | 1,359.54               | 1,479.94         | 120.40           |
| Depreciation                          | 1,721,380           | 1,782,415           | 61,035 F            | (102,982)          | 164,017            | 508.23                 | 556.66           | 48.43            |
| Other                                 | 2,178,440           | 2,145,947           | (32,493) U          | (123,985)          | 91,492             | 643.18                 | 670.19           | 27.01            |
| <b>Total Expenses</b>                 | <b>33,714,995</b>   | <b>33,264,658</b>   | <b>(450,337) U</b>  | <b>(1,921,912)</b> | <b>1,471,575</b>   | <b>9,954.24</b>        | <b>10,388.71</b> | <b>434.48</b>    |
| <b>Net Inc Before Non-Oper Income</b> | <b>821,159</b>      | <b>804,805</b>      | <b>16,354 F</b>     | <b>46,499</b>      | <b>(30,145)</b>    | <b>242.44</b>          | <b>251.34</b>    | <b>(8.90)</b>    |
| Property Tax Revenue                  | 1,125,000           | 1,125,000           | - -                 | 64,998             | (64,998)           | 332.15                 | 351.34           | (19.19)          |
| Non-Operating Income                  | 161,786             | 66,319              | 95,467 F            | 3,832              | 91,635             | 47.77                  | 20.71            | 27.06            |
| <b>Net Income (Loss)</b>              | <b>\$ 2,107,945</b> | <b>\$ 1,996,124</b> | <b>\$ 111,821 F</b> | <b>\$ 115,329</b>  | <b>\$ (3,508)</b>  | <b>\$ 622.36</b>       | <b>\$ 623.40</b> | <b>\$ (1.04)</b> |
| Net Income Margin                     | 5.3%                | 5.6%                | -0.3%               |                    |                    |                        |                  |                  |
| OEBITDA Margin w/o Prop Tax           | 6.4%                | 7.3%                | -0.9%               |                    |                    |                        |                  |                  |
| OEBITDA Margin with Prop Tax          | 9.2%                | 10.4%               | -1.2%               |                    |                    |                        |                  |                  |

F= Favorable variance  
 U= Unfavorable variance

**Income Statement: Current vs. Prior Year-to-Date  
Consolidated – Adjusted Discharges**

|                                       |                     |                      |                         | Variance            |                       | \$/Adjusted Discharges |                  |                    |
|---------------------------------------|---------------------|----------------------|-------------------------|---------------------|-----------------------|------------------------|------------------|--------------------|
|                                       | February 08<br>YTD  | February 07<br>YTD   | Variance                | Volume              | Rate/Eff              | Actual                 | Budget           | Variance           |
| <b>Statistics:</b>                    |                     |                      |                         |                     |                       |                        |                  |                    |
| Admissions - Acute                    | 19,423              | 16,957               | 2,466                   |                     |                       |                        |                  |                    |
| Admissions - SNF                      | 694                 | 688                  | 6                       |                     |                       |                        |                  |                    |
| Patient Days - Acute                  | 76,222              | 65,384               | 10,838                  |                     |                       |                        |                  |                    |
| Patient Days - SNF                    | 50,691              | 45,357               | 5,334                   |                     |                       |                        |                  |                    |
| ALOS - Acute                          | 3.92                | 3.82                 | 0.10                    |                     |                       |                        |                  |                    |
| ALOS - SNF                            | 73.47               | 67.30                | 6.17                    |                     |                       |                        |                  |                    |
| Adjusted Discharges                   | 26,666              | 23,226               | 3,440                   |                     |                       |                        |                  |                    |
| <b>Revenue:</b>                       |                     |                      |                         |                     |                       |                        |                  |                    |
| Gross Revenue                         | \$ 932,723,974      | \$ 817,164,212       | \$ 115,559,762 F        | \$ 121,030,091      | \$ (5,470,329)        | \$34,978.02            | \$ 35,183.17     | \$ (205.14)        |
| Deductions from Rev                   | (655,918,702)       | (565,894,232)        | (90,024,470) U          | (83,814,525)        | (6,209,945)           | (24,597.57)            | (24,364.69)      | (232.88)           |
| Net Patient Revenue                   | 276,805,272         | 251,269,980          | 25,535,292 F            | 37,215,566          | (11,680,274)          | 10,380.46              | 10,818.48        | (438.02)           |
| Other Oper Revenue                    | 6,042,330           | 6,950,316            | (907,986) U             | 1,029,410           | (1,937,396)           | 226.59                 | 299.25           | (72.65)            |
| <b>Total Net Revenue</b>              | <b>282,847,602</b>  | <b>258,220,296</b>   | <b>24,627,306 F</b>     | <b>38,244,976</b>   | <b>(13,617,670)</b>   | <b>10,607.05</b>       | <b>11,117.73</b> | <b>(510.68)</b>    |
| <b>Expenses:</b>                      |                     |                      |                         |                     |                       |                        |                  |                    |
| Salaries, Wages & Contr Labor         | 137,731,941         | 122,115,321          | (15,616,620) U          | (18,086,485)        | 2,469,865             | 5,165.08               | 5,257.70         | 92.62              |
| Benefits                              | 33,162,877          | 31,038,233           | (2,124,644) U           | (4,597,069)         | 2,472,425             | 1,243.64               | 1,336.36         | 92.72              |
| Supplies                              | 43,980,369          | 39,900,652           | (4,079,717) U           | (5,909,681)         | 1,829,964             | 1,649.31               | 1,717.93         | 68.63              |
| Prof Fees & Purch Svc                 | 40,844,219          | 34,592,473           | (6,251,746) U           | (5,123,487)         | (1,128,259)           | 1,531.70               | 1,489.39         | (42.31)            |
| Depreciation                          | 14,300,487          | 13,181,657           | (1,118,830) U           | (1,952,334)         | 833,504               | 536.28                 | 567.54           | 31.26              |
| Other                                 | 16,413,795          | 14,682,979           | (1,730,816) U           | (2,174,694)         | 443,878               | 615.53                 | 632.18           | 16.65              |
| <b>Total Expenses</b>                 | <b>286,433,688</b>  | <b>255,511,315</b>   | <b>(30,922,373) U</b>   | <b>(37,843,749)</b> | <b>6,921,376</b>      | <b>10,741.53</b>       | <b>11,001.09</b> | <b>259.56</b>      |
| <b>Net Inc Before Non-Oper Income</b> | <b>(3,586,086)</b>  | <b>2,708,981</b>     | <b>(6,295,067) U</b>    | <b>401,227</b>      | <b>(6,696,294)</b>    | <b>(134.48)</b>        | <b>116.64</b>    | <b>(251.12)</b>    |
| Property Tax Revenue                  | 9,000,000           | 8,433,328            | 566,672 F               | 1,249,059           | (682,387)             | 337.51                 | 363.10           | (25.59)            |
| Non-Operating Income                  | 3,990,148           | 1,987,061            | 2,003,087 F             | 294,303             | 1,708,784             | 149.63                 | 85.55            | 64.08              |
| <b>Net Income (Loss)</b>              | <b>\$ 9,404,061</b> | <b>\$ 13,129,370</b> | <b>\$ (3,725,308) U</b> | <b>\$ 1,944,589</b> | <b>\$ (5,669,897)</b> | <b>\$ 352.66</b>       | <b>\$ 565.29</b> | <b>\$ (212.63)</b> |
| Net Income Margin                     | 3.1%                | 4.8%                 | -1.7%                   |                     |                       |                        |                  |                    |
| OEBITDA Margin w/o Prop Tax           | 3.5%                | 5.8%                 | -2.3%                   |                     |                       |                        |                  |                    |
| OEBITDA Margin with Prop Tax          | 6.5%                | 8.9%                 | -2.4%                   |                     |                       |                        |                  |                    |

F= Favorable variance  
U= Unfavorable variance

**F I S C A L Y E A R 2 0 0 8**  
**Income Statement: Fiscal Year Projection**  
**Consolidated – Adjusted Discharges**

|                                       | 8 Act + 4 Bud        | FY 08 Budget         | Variance                | Variance            |                       | \$/Adjusted Discharges |                  |                    |
|---------------------------------------|----------------------|----------------------|-------------------------|---------------------|-----------------------|------------------------|------------------|--------------------|
|                                       |                      |                      |                         | Volume              | Rate/Eff              | Actual                 | Budget           | Variance           |
| <b>Statistics:</b>                    |                      |                      |                         |                     |                       |                        |                  |                    |
| Admissions - Acute                    | 29,367               | 29,827               | (460)                   |                     |                       |                        |                  |                    |
| Admissions - SNF                      | 1,076                | 1,147                | (71)                    |                     |                       |                        |                  |                    |
| Patient Days - Acute                  | 114,258              | 114,111              | 147                     |                     |                       |                        |                  |                    |
| Patient Days - SNF                    | 76,429               | 77,263               | (834)                   |                     |                       |                        |                  |                    |
| Adjusted Discharges                   | 40,131               | 40,397               | (266)                   |                     |                       |                        |                  |                    |
| <b>Revenue:</b>                       |                      |                      |                         |                     |                       |                        |                  |                    |
| Gross Revenue                         | \$ 1,383,828,987     | \$ 1,353,265,267     | \$ 30,563,722 F         | \$ (8,910,775)      | \$ 39,474,495         | \$ 34,482.79           | \$ 33,499.15     | \$ 983.64          |
| Deductions from Rev                   | (968,879,750)        | (938,883,067)        | (29,996,683) U          | 6,182,214           | (36,178,897)          | (24,142.93)            | (23,241.41)      | (901.52)           |
| Net Patient Revenue                   | 414,949,237          | 414,382,200          | 567,039 F               | (2,728,561)         | 3,295,598             | 10,339.87              | 10,257.75        | 82.12              |
| Other Oper Revenue                    | 11,074,865           | 15,097,606           | (4,022,741) U           | (99,412)            | (3,923,329)           | 275.97                 | 373.73           | (97.76)            |
| <b>Total Net Revenue</b>              | <b>426,024,102</b>   | <b>429,479,806</b>   | <b>(3,455,702) U</b>    | <b>(2,827,973)</b>  | <b>(627,731)</b>      | <b>10,615.84</b>       | <b>10,631.48</b> | <b>(15.64)</b>     |
| <b>Expenses:</b>                      |                      |                      |                         |                     |                       |                        |                  |                    |
| Salaries, Wages & Contr Labor         | 203,516,584          | 197,354,158          | (6,162,426) U           | 1,299,508           | (7,461,934)           | 5,071.31               | 4,885.37         | (185.94)           |
| Benefits                              | 49,748,562           | 49,757,147           | 8,585 F                 | 327,633             | (319,048)             | 1,239.65               | 1,231.70         | (7.95)             |
| Supplies                              | 64,954,442           | 62,914,273           | (2,040,169) U           | 414,268             | (2,454,437)           | 1,618.56               | 1,557.40         | (61.16)            |
| Prof Fees & Purch Svc                 | 60,281,022           | 60,928,830           | 647,807 F               | 401,195             | 246,613               | 1,502.11               | 1,508.25         | 6.15               |
| Depreciation                          | 21,430,147           | 21,343,632           | (86,515) U              | 140,540             | (227,055)             | 534.00                 | 528.35           | (5.66)             |
| Other                                 | 25,211,802           | 26,393,963           | 1,182,161 F             | 173,795             | 1,008,366             | 628.24                 | 653.36           | 25.13              |
| <b>Total Expenses</b>                 | <b>425,142,559</b>   | <b>418,692,003</b>   | <b>(6,450,557) U</b>    | <b>2,756,939</b>    | <b>(9,207,495)</b>    | <b>10,593.87</b>       | <b>10,364.43</b> | <b>(229.44)</b>    |
| <b>Net Inc Before Non-Oper Income</b> | <b>881,543</b>       | <b>10,787,803</b>    | <b>(9,906,259) U</b>    | <b>(71,034)</b>     | <b>(9,835,226)</b>    | <b>21.97</b>           | <b>267.04</b>    | <b>(245.08)</b>    |
| Property Tax Revenue                  | 13,500,000           | 13,500,000           | - -                     | (88,893)            | 88,893                | 336.40                 | 334.18           | 2.22               |
| Non-Operating Income                  | 4,255,424            | 795,822              | 3,459,600 F             | (5,240)             | 3,464,842             | 106.04                 | 19.70            | 86.34              |
| <b>Net Income (Loss)</b>              | <b>\$ 18,636,967</b> | <b>\$ 25,083,625</b> | <b>\$ (6,446,655) U</b> | <b>\$ (165,167)</b> | <b>\$ (6,281,491)</b> | <b>\$ 464.40</b>       | <b>\$ 620.93</b> | <b>\$ (156.52)</b> |
| Net Income Margin                     | 4.1%                 | 5.6%                 | -1.5%                   |                     |                       |                        |                  |                    |
| OEBITDA Margin w/o Prop Tax           | 4.9%                 | 7.1%                 | -2.2%                   |                     |                       |                        |                  |                    |
| OEBITDA Margin with Prop Tax          | 7.9%                 | 10.1%                | -2.2%                   |                     |                       |                        |                  |                    |

F= Favorable variance  
U= Unfavorable variance

Statement of Cash Flows

|  | February           | YTD                  |
|--|--------------------|----------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>   |                    |                      |
| Income (Loss) from operations  | 821,909            | (3,586,587)          |
| <b>Adjustments to reconcile change in net assets to net cash provided by operating activities:</b> |                    |                      |
| Depreciation Expense   | 1,721,380          | 14,300,486           |
| Provision for bad debts  | 6,228,767          | 28,225,531           |
| <b>Changes in operating assets and liabilities:</b>  |                    |                      |
| Patient accounts receivable  | (7,918,792)        | (35,810,100)         |
| Property Tax and other receivables   | (881,458)          | (20,346,626)         |
| Inventories  | (56,881)           | (20,020)             |
| Prepaid expenses and Other Non-Current assets  | 819,987            | (2,508,729)          |
| Accounts payable   | (4,443,805)        | (13,810,441)         |
| Accrued compensation   | (959,923)          | 3,650,156            |
| Estimated settlement amounts due third-party payors  | 100,514            | 1,560,891            |
| Other current liabilities  | 238,455            | 17,311,524           |
| Net cash provided by operating activities  | <u>(4,329,847)</u> | <u>(11,033,915)</u>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>   |                    |                      |
| Net (purchases) sales of investments   | 17,987,671         | (162,695,277)        |
| Interest (Loss) received on investments  | 629,673            | 6,728,861            |
| Investment in affiliates   | 124,483            | (1,965,104)          |
| Net cash used in investing activities  | <u>18,741,827</u>  | <u>(157,931,520)</u> |
| <b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>   |                    |                      |
| Receipt of G.O. Bond Taxes   | 162,472            | 6,599,440            |
| Receipt of District Taxes  | 126,102            | 7,744,686            |
| Net cash used in non-capital financing activities  | <u>288,574</u>     | <u>14,344,126</u>    |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>                                   |                    |                      |
| Acquisition of property plant and equipment  | (7,514,222)        | (53,494,637)         |
| Proceeds from sale of asset  | 0                  | 0                    |
| Deferred Financing Costs   | (48,393)           | (15,412,112)         |
| G.O. Bond Interest paid  | (1,636,613)        | (3,382,325)          |
| Revenue Bond Interest paid   | 0                  | (1,856,203)          |
| Proceeds from issuance of debt   | 0                  | 246,791,175          |
| Payments of Long Term Debt   | 0                  | (13,220,000)         |
| Net cash used in activities  | <u>(9,199,228)</u> | <u>159,425,898</u>   |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>  | 5,501,326          | 4,804,589            |
| <b>CASH AND CASH EQUIVALENTS - Beginning of period</b>   | <u>4,564,612</u>   | <u>5,261,349</u>     |
| <b>CASH AND CASH EQUIVALENTS - End of period</b>   | <u>10,065,937</u>  | <u>10,065,937</u>    |

# FISCAL YEAR 2008

## Bond Covenant Ratios

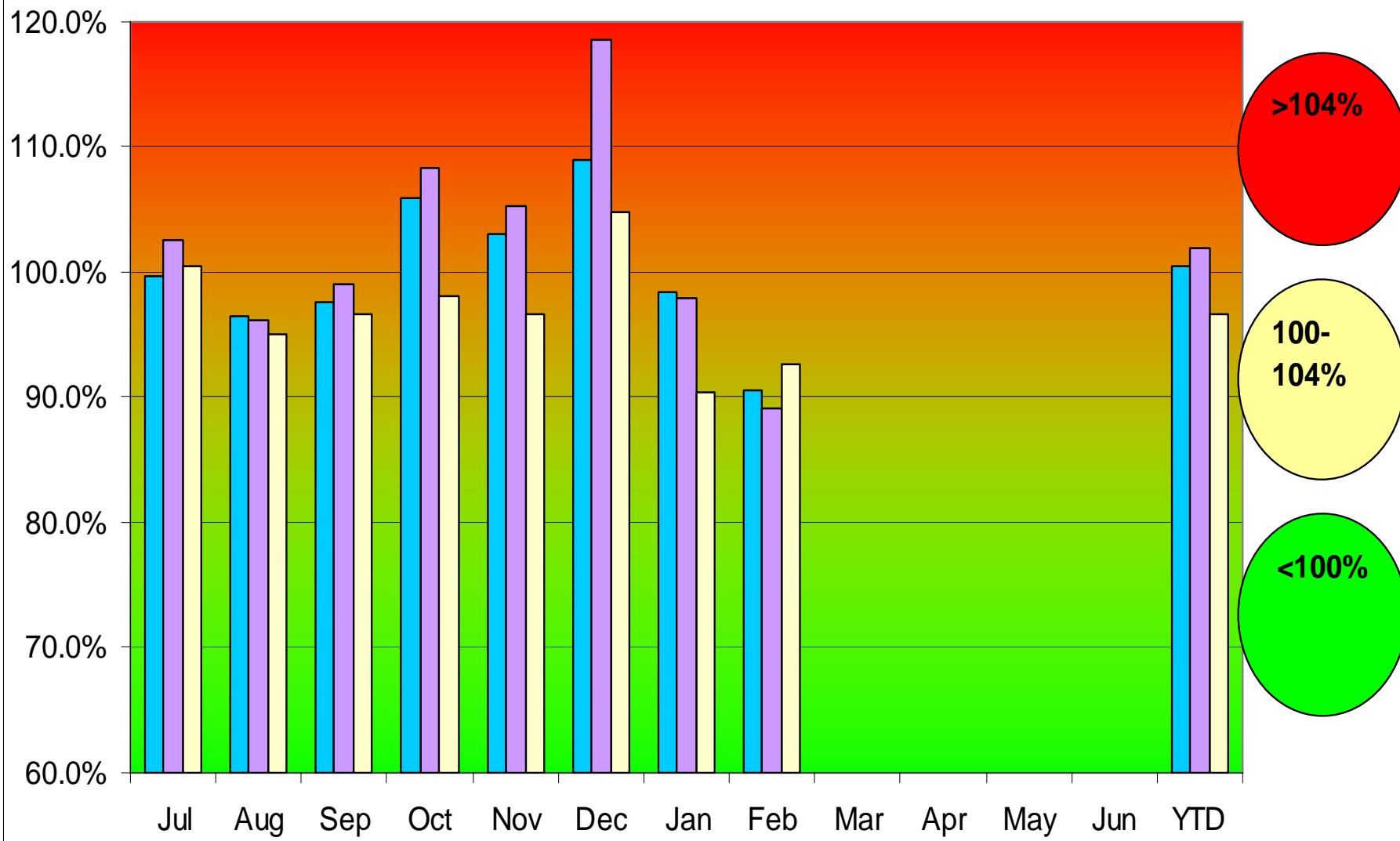
| <b>Cushion Ratio</b>                        | <b>Jun-06</b>      | <b>Jun-07</b>      | <b>Feb-08</b>      |
|---|--------------------|--------------------|--------------------|
| Cash and Cash Equivalents                   | 112,036,430        | 109,213,349        | 75,300,606         |
| Board Designated Reserves                   | 9,267,526          | -                  | 14,231,843         |
| Trustee-held Funds                          | 12,170,183         | 143,341,920        | 103,983,989        |
| <b>Total</b>                                | <b>133,474,139</b> | <b>252,555,269</b> | <b>193,516,438</b> |
| Divided by:                                 |                    |                    |                    |
| Max Annual Debt Service<br>(Bond Year 2008) | 10,697,594         | 16,972,692         | 16,972,692         |
| <b>Cushion Ratio</b>                        | <b>12.5</b>        | <b>14.9</b>        | <b>11.4</b>        |
| <b>REQUIREMENT</b>                          | <b>1.5</b>         | <b>1.5</b>         | <b>1.5</b>         |
|   | <b>Achieved</b>    | <b>Achieved</b>    | <b>Achieved</b>    |

| <b>Days Cash on Hand</b>                          | <b>Jun-06</b>      | <b>Jun-07</b>      | <b>Feb-08</b>      |
|---|--------------------|--------------------|--------------------|
| Cash and Cash Equivalents                         | 112,036,430        | 109,213,349        | 75,300,606         |
| Board Designated Reserves                         | 9,267,526          | -                  | 14,231,843         |
| <b>Total</b>                                      | <b>121,303,956</b> | <b>109,213,349</b> | <b>89,532,449</b>  |
| Divide Total by Average Adjusted Expenses per Day |                    |                    |                    |
| Total Expenses                                    | 364,120,335        | 385,355,509        | 286,433,689        |
| Less: Depreciation                                | 18,737,467         | 19,453,013         | 14,300,487         |
| <b>Adjusted Expenses</b>                          | <b>345,382,868</b> | <b>365,902,496</b> | <b>272,133,202</b> |
| Number of days in period                          | 365                | 365                | 244                |
| <b>Average Adjusted Expenses per Day</b>          | <b>946,254</b>     | <b>1,002,473</b>   | <b>1,115,300</b>   |
| <b>Days Cash on Hand</b>                          | <b>128</b>         | <b>109</b>         | <b>80</b>          |
| <b>REQUIREMENT</b>                                | <b>90</b>          | <b>80</b>          | <b>80</b>          |
|   | <b>Achieved</b>    | <b>Achieved</b>    | <b>Achieved</b>    |

| <b>Net Income Available for Debt Service</b>            | <b>Jun-06</b>     | <b>Jun-07</b>     | <b>Feb-08</b>     |
|---|-------------------|-------------------|-------------------|
| Excess of revenue over expenses Cur Mo.                 | 1,315,850         | 2,963,446         | 2,107,944         |
| Excess of revenues over expenses YTD<br>(General Funds) | 11,558,633        | 21,974,509        | 9,404,061         |
| ADD:  |                   |                   |                   |
| Depreciation and Amortization                           | 18,737,467        | 19,453,013        | 14,300,487        |
| Interest Expense  | 4,405,929         | 3,343,683         | 2,978,900         |
| <b>Net Income Available for Debt Service</b>            | <b>34,702,029</b> | <b>44,771,205</b> | <b>26,683,448</b> |
| <b>Aggregate Debt Service</b>                           |                   |                   |                   |
| 1993 Insured Refunding Revenue Bonds                    | 3,639,772         | 0                 | 0                 |
| 1999 Insured Refunding Revenue Bonds                    | 6,950,508         | 8,249,916         | 5,500,590         |
| 2006 Certificates of Participation                      |                   | 4,373,342         | 4,998,105         |
| <b>Aggregate Debt Service</b>                           | <b>10,590,280</b> | <b>12,623,258</b> | <b>10,498,695</b> |
| <b>Net Income Available for Debt Service</b>            | <b>3.28</b>       | <b>3.55</b>       | <b>2.54</b>       |
| <b>Required Coverage</b>                                | <b>1.15</b>       | <b>1.15</b>       | <b>1.15</b>       |
|   | <b>Achieved</b>   | <b>Achieved</b>   | <b>Achieved</b>   |

### Total Consolidated Financial Indicators BSC-FY08

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



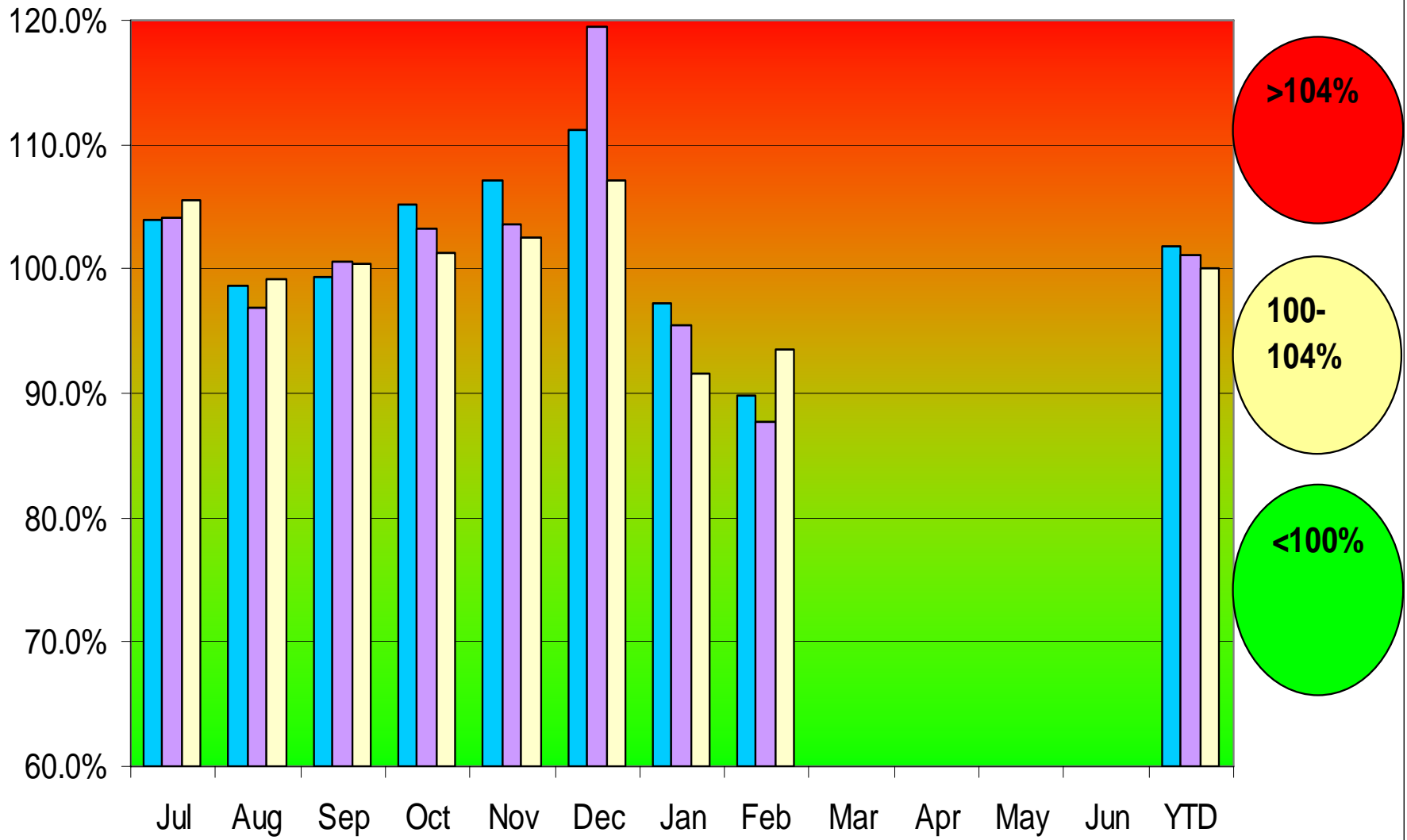
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### North Consolidated Financial Indicators BSC-FY08

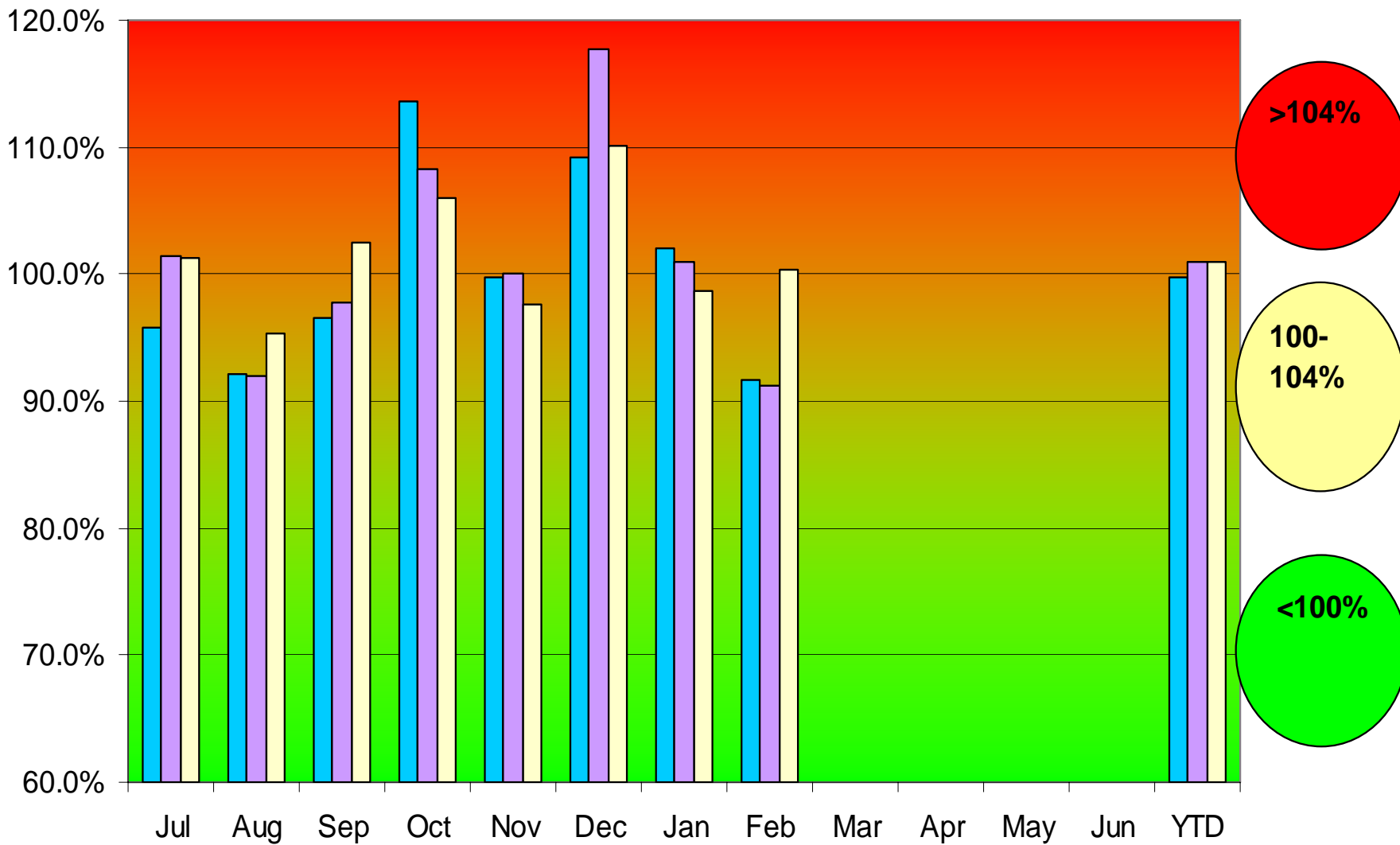
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### South Consolidated Financial Indicators BSC-FY08

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



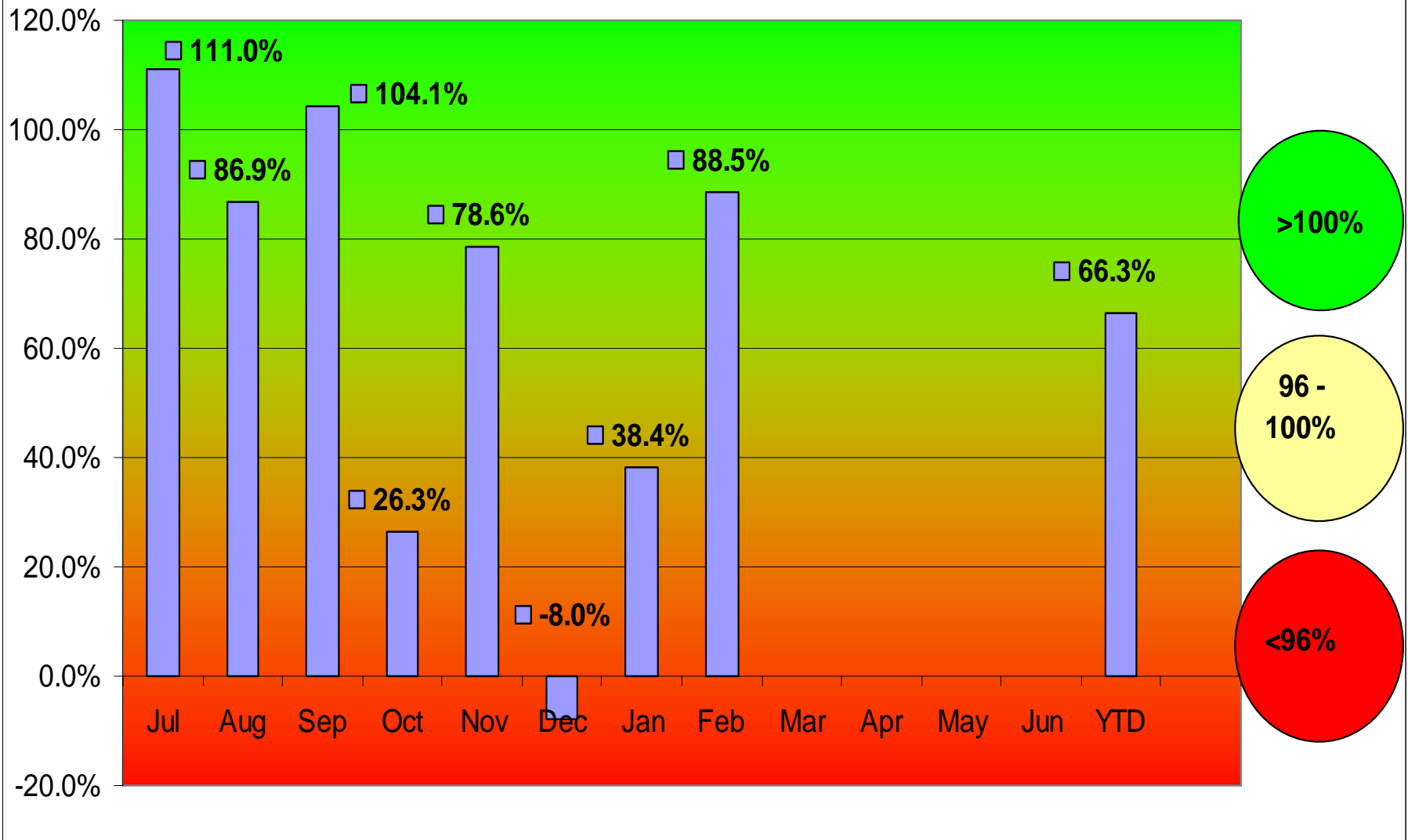
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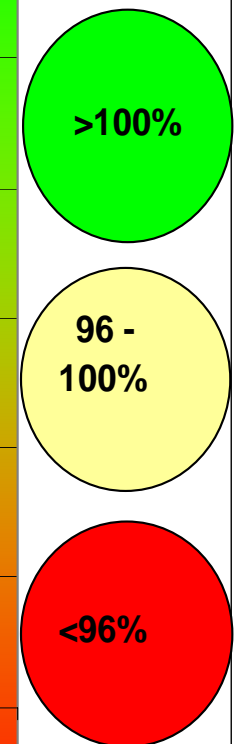
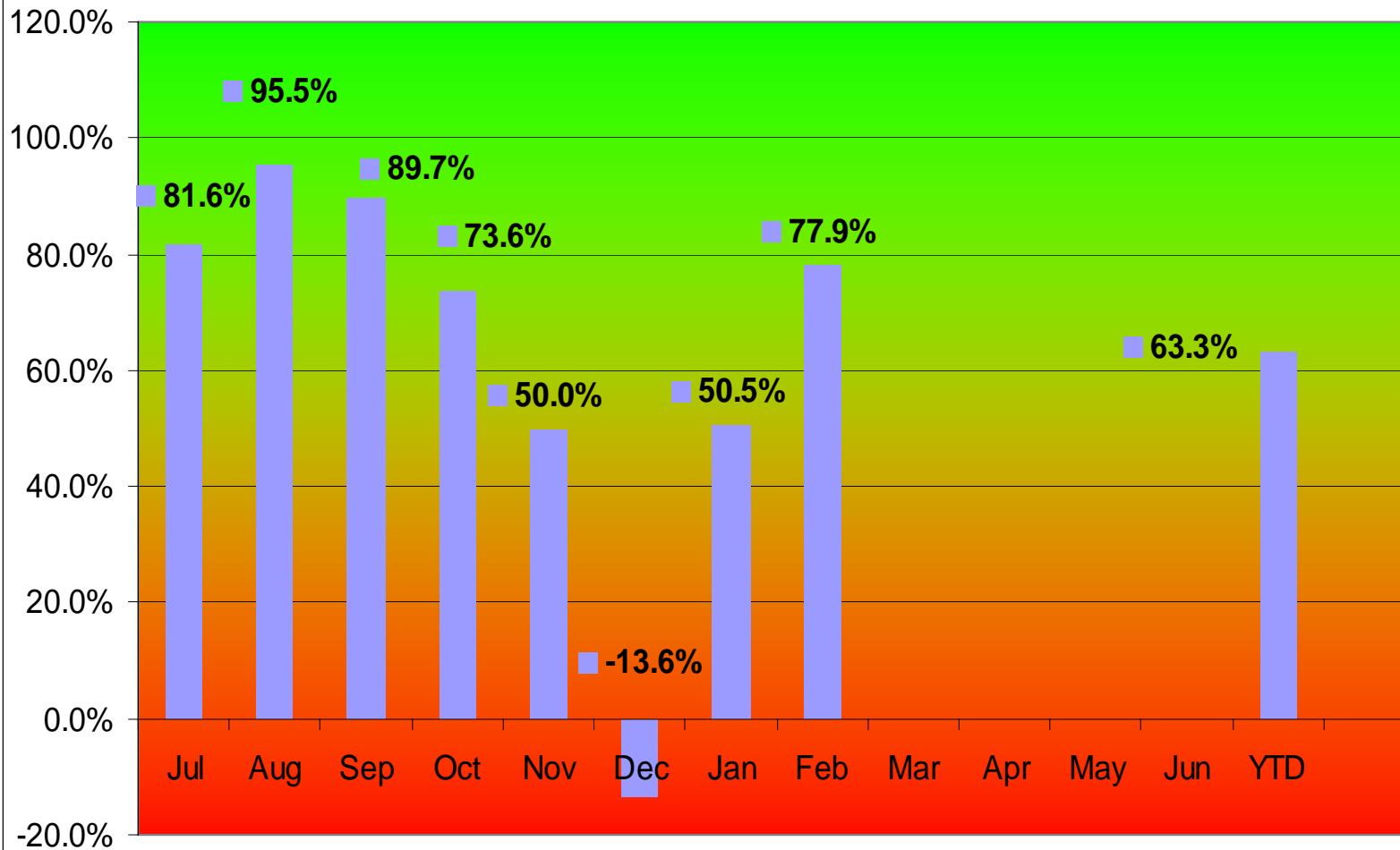
### Total Consolidated OEBITDA w/ Prop Taxes -FY08

■ % of Actual to Budget

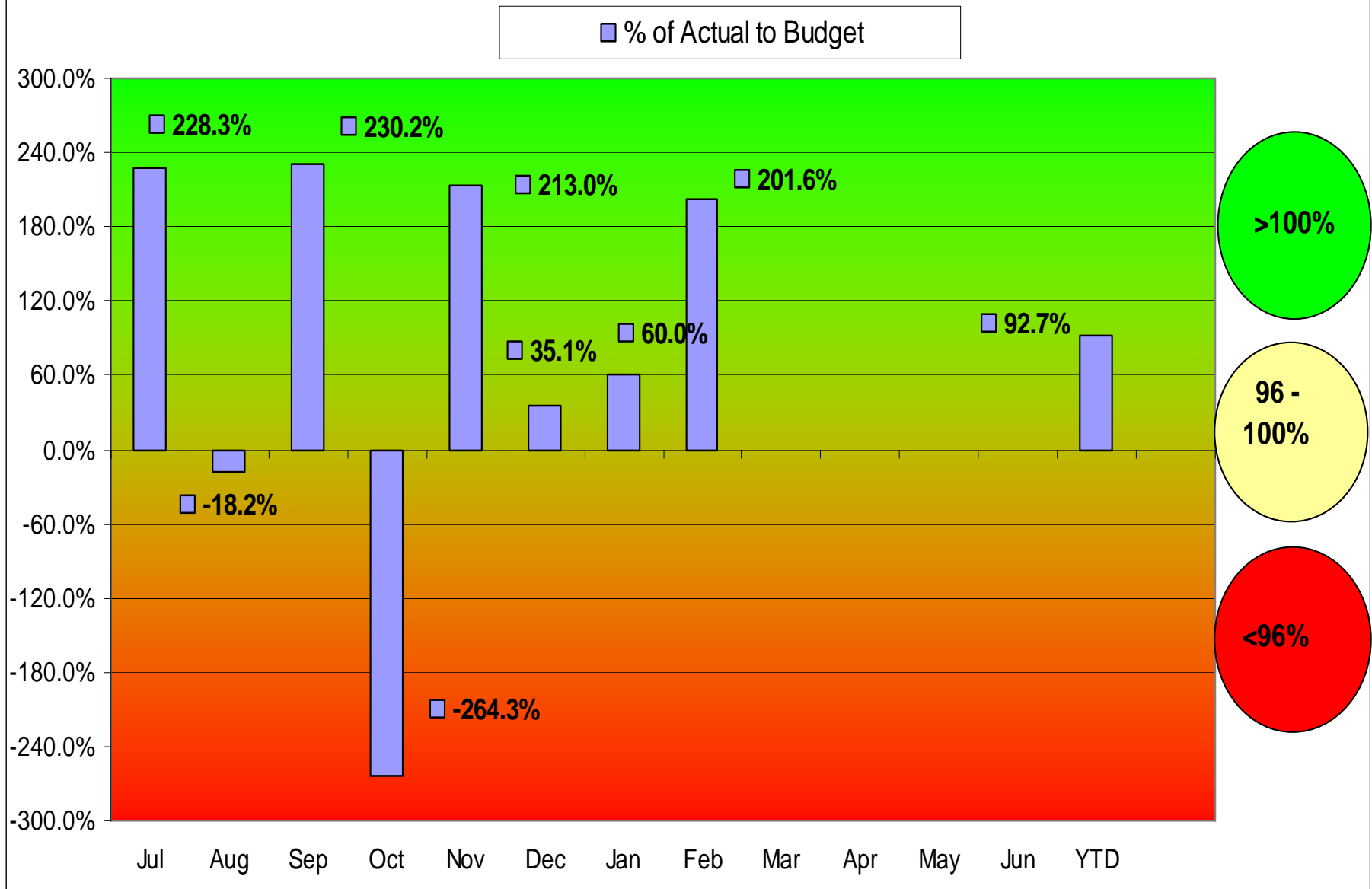


### North Consolidated OEBITDA w/ Prop Taxes - FY08

■ % of Actual to Budget



### South Consolidated OEBITDA w/ Prop Taxes - FY08



FISCAL YEAR 2008  
 Revenue Cycle Key Indicators  
 Trend Report



| Source                             | Current Month End | Most Recent Month End | Most Recent 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       | 2/29/2008<br>29   | 1/31/2008<br>31       | 12/31/2007<br>31      | 2/29/2008<br>244                 | 6/30/2007<br>365     | 2/28/2007<br>243 |                         |
| <b>Revenue</b>                     |                   |                       |                       |                                  |                      |                  |                         |
| Gross for Month (Month to Date)    | 118,302,671       | 118,313,389           | 112,502,936           | \$ 913,147,963                   | \$ 1,205,732,433     | \$ 796,779,330   | \$ (10,718)             |
| Net Revenue                        | 35,727,407        | 34,212,880            | \$ 33,661,402         | \$ 272,082,489                   | \$ 371,016,682       | \$ 241,428,815   | \$ 1,514,527            |
| Net:Gross %                        | 30.2%             | 28.9%                 | 29.9%                 | 29.8%                            | 30.8%                | 30.3%            | 1.3%                    |
| Last 3 Month Daily Average (Gross) | 3,836,472         | 3,723,488             | \$ 3,638,574          | \$ 3,742,410                     | \$ 3,303,377         | \$ 3,278,927     | \$ 112,984              |
| Last 3 Month Daily Average (Net)   | 1,138,480         | 1,115,253             | 1,099,780             | 1,115,092                        | 1,016,484            | 993,534          | 23,227                  |
| <b>Cash Collections</b>            |                   |                       |                       |                                  |                      |                  |                         |
| Month to Date                      | 32,002,678        | 34,370,722            | 32,376,467            | \$ 260,125,814                   | \$ 357,733,249       | \$ 225,518,427   | \$ (2,368,044)          |
| Month to Date Goal                 | 34,852,941        | 34,036,853            | 33,582,023            | 267,960,006                      | 358,561,284          | 239,040,856      | \$ 816,089              |
| Over (under) Goal                  | (2,850,263)       | 333,869               | (1,205,556)           | (7,834,192)                      | (828,035)            | (13,522,429)     | (3,184,133)             |
| % of Goal                          | 92%               | 101%                  | 96%                   | 97.1%                            | 99.8%                | 94.3%            | -9.2%                   |
| Point of Service Collections       | 245,741           | 295,094               | 205,007               | \$ 2,178,502                     | \$ 3,244,728         | \$ 2,093,065     | \$ (49,353)             |
| Month to Date Goal                 | 360,800           | 360,800               | 328,000               | 1,875,000                        | 3,265,740            | 2,177,160        | \$ -                    |
| Over (under) Goal                  | \$ (115,059)      | \$ (65,706)           | \$ (122,993)          | \$ 303,502                       | \$ (21,012)          | \$ (84,095)      | \$ (49,353)             |
| % of Goal                          | 68.1%             | 81.8%                 | 62.5%                 | 116.2%                           | 99.4%                | 96.1%            | -13.7%                  |
| <b>Accounts Receivable</b>         |                   |                       |                       |                                  |                      |                  |                         |
| 0-30                               | \$ 92,486,299     | \$ 83,759,963         | \$ 91,763,515         |                                  | \$ 73,718,929        | \$ 85,958,391    | \$ 8,726,336            |
| 31-60                              | 26,489,921        | 28,978,153            | 29,336,477            |                                  | 19,857,146           | 33,426,702       | (2,488,233)             |
| 61-90                              | 16,860,915        | 17,180,246            | 17,767,927            |                                  | 13,499,609           | 15,610,155       | (19,331)                |
| 91-180                             | 27,873,599        | 26,124,659            | 27,222,624            |                                  | 26,694,468           | 26,200,284       | 1,748,939               |
| Over 180                           | 24,750,643        | 22,910,978            | 23,439,829            |                                  | 21,653,269           | 26,160,409       | 1,839,665               |
| Total                              | \$ 188,461,377    | \$ 178,954,001        | \$ 189,530,372        |                                  | \$ 155,423,421       | \$ 187,355,941   | \$ 9,507,376            |
| A/R Days (Gross)                   | 49.12             | 48.06                 | 52.09                 |                                  | 47.05                | 57.14            | 1.06                    |
| % of AR aged over 180 days         | 13.1%             | 12.8%                 | 12.4%                 |                                  | 14%                  | 14.0%            | 0.00                    |
| Number of Accounts                 | 60,133            | 59,792                | 60,570                |                                  | 61,809               | NA               | 341                     |
| <b>Credit Balance Accounts:</b>    |                   |                       |                       |                                  |                      |                  |                         |
| Dollars ATB                        | \$ (1,828,298)    | \$ (1,786,521)        | \$ (1,934,496)        |                                  | \$ (3,955,501)       | \$               | \$ (41,777)             |
| Number of Accounts ATB             | 1,434             | 1,152                 | 1,970                 |                                  | 1,642                |                  | 282                     |

Revenue Cycle Key Indicators  
Trend Report



| Source                                    | Current Month End | Most Recent Month End | Most Recent 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              | 2/29/2008         | 1/31/2008             | 12/31/2007            | 2/29/2008                        | 6/30/2007            | 2/28/2007        |                         |
| <b>Accounts Receivable by Major Payer</b> |                   |                       |                       |                                  |                      |                  |                         |
| Medicare                                  | AR Comp           | 43,034,471            | 40,209,105            | 43,023,471                       | \$ 31,212,504        | \$ 33,221,810    | \$ 2,825,366            |
| Last 3 months daily average revenue       | Lawson            | 1,083,838             | 1,040,586             | 980,937                          | 965,874              | 956,581          | \$ 43,252               |
| Gross Days revenue outstanding            | Calc              | 39.71                 | 38.64                 | 43.86                            | 32.32                | 34.73            | 1.06                    |
| MediCal (Includes M-Cal HMO)              | AR Comp           | 27,179,916            | 27,946,463            | 28,574,315                       | 23,655,071           | 27,047,708       | (766,547)               |
| Last 3 months daily average revenue       | Lawson            | 666,936               | 624,412               | 613,369                          | 522,046              | 588,075          | 42,524                  |
| Gross Days revenue outstanding            | Calc              | 40.75                 | 44.76                 | 46.59                            | 45.31                | 45.99            | -4.00                   |
| Comm/Managed Care (Incl Mcare HMO)        | AR Comp           | 84,715,775            | 79,369,918            | 84,843,423                       | 72,445,182           | 94,325,581       | 5,345,857               |
| Last 3 months daily average revenue       | Lawson            | 1,903,770             | 1,875,933             | 1,873,393                        | 1,679,046            | 1,647,426        | 27,837                  |
| Gross Days revenue outstanding            | Calc              | 44.50                 | 42.31                 | 45.29                            | 43.15                | 57.26            | 2.19                    |
| Self-Pay                                  | AR Comp           | 33,531,215            | 31,428,515            | 33,089,164                       | 28,110,665           | 32,760,842       | 2,102,700               |
| Last 3 months daily average revenue       | Lawson            | 181,928               | 182,557               | 170,875                          | 165,713              | 220,030          | (629)                   |
| Gross Days revenue outstanding            | Calc              | 184.31                | 172.16                | 193.65                           | 169.63               | 148.89           | 12.15                   |
| Bad Debt Write-offs                       |                   |                       |                       |                                  |                      |                  |                         |
| M-T-D Amount net of Recovery              | Adj Rpt           | 2,196,785             | 4,598,857             | 2,854,390                        | 20,310,119           | 28,183,764       | \$ (79,108) \$          |
| % of Gross Revenue (Target < 2%)          |                   | 1.9%                  | 3.9%                  | 2.5%                             | 2.2%                 | 2.3%             | 0.0%                    |
|   |                   |                       |                       |                                  |                      |                  | (2,402,072)             |
| Charity & Undocumented Write-offs         | Adj Rpt           | 1,161,882             | 1,149,039             | 2,331,704                        | 14,558,064           | 13,375,244       | \$ 1,601,794 \$         |
| M-T-D Amount                              |                   |                       |                       |                                  |                      |                  |                         |
| % of Gross Revenue (Target < 2%)          |                   | 1.0%                  | 1.0%                  | 2.1%                             | 1.6%                 | 1.1%             | 0.2%                    |
|   |                   |                       |                       |                                  |                      |                  | 12,843                  |
| Denial & Other Admin Adjustments          | Adj Rpt           | 566,363               | 449,194               | 496,745                          | 4,225,649            | 3,471,349        | \$ 542,824 \$           |
| M-T-D Amount                              |                   |                       |                       |                                  |                      |                  |                         |
| % of Gross Revenue (Target < 1%)          |                   | 0.5%                  | 0.4%                  | 0.4%                             | 0.5%                 | 0.3%             | 0.1%                    |
|   |                   |                       |                       |                                  |                      |                  | 117,168                 |

Revenue Cycle Key Indicators  
Trend Report



| Source  | Current Month End    | Most Recent Month End | Most Recent 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                          | 2/29/2008            | 1/31/2008             | 12/31/2007            | 2/29/2008                        | 6/30/2007            | 2/28/2007        |                         |
| <b>Discharged Not Final Billed (DNFB)</b>             | 29                   | 31                    | 31                    | 244                              | 365                  | 243              |                         |
| <b>DNFB Action Required</b>                           |                      |                       |                       |                                  |                      |                  |                         |
| HIM (Waiting for Coding) DNFB Rpt                     | \$ 8,425,053         | \$ 6,810,494          | \$ 17,001,618         |                                  | 6,249,765            |                  | \$ 1,614,559            |
| PBS (Correction required) DNFB Rpt                    | 266,157              | 853,210               | 771,118               |                                  | 18,284               |                  | \$ (587,053)            |
| Other holds requiring correction DNFB Rpt             | -                    | -                     | -                     |                                  | -                    |                  | \$ -                    |
| <b>Total Action Required</b>                          | <b>8,691,210</b>     | <b>7,663,704</b>      | <b>17,772,736</b>     |                                  | <b>6,268,049</b>     |                  | <b>1,027,506</b>        |
| <b># of AR Days action Required</b>                   | <b>2.27</b>          | <b>2.06</b>           | <b>4.88</b>           |                                  | <b>1.83</b>          |                  | <b>0.21</b>             |
| <b>DNFB No Action Required</b>                        |                      |                       |                       |                                  |                      |                  |                         |
| 4 Day Standard Delay DNFB Rpt                         | \$ 26,103,121        | \$ 23,118,482         | \$ 20,420,634         |                                  | 22,948,148           |                  | \$ 2,984,639            |
| Other DNFB Rpt  | 5,247,606            | 2,449,285             | 2,787,499             |                                  | 664,451              |                  | 2,798,321               |
| <b>Total No Action Required</b>                       | <b>31,350,727</b>    | <b>25,567,767</b>     | <b>23,208,133</b>     |                                  | <b>23,612,599</b>    |                  | <b>5,782,960</b>        |
| <b>Total DNFB</b>                                     | <b>\$ 40,041,937</b> | <b>\$ 33,231,471</b>  | <b>\$ 40,980,869</b>  |                                  | <b>29,880,648</b>    |                  | <b>6,810,466</b>        |
| <b>Total Days in DNFB</b>                             | <b>10.44</b>         | <b>8.92</b>           | <b>11.26</b>          |                                  | <b>8.73</b>          |                  | <b>1.51</b>             |
| <b>Late Charges</b>                                   |                      |                       |                       |                                  |                      |                  |                         |
| <b>Late Charges from Date of Service 5 to 20 Days</b> |                      |                       |                       |                                  |                      |                  |                         |
| Number of line items                                  | 6,420                | 9,562                 | 2,076                 | 94,788                           |                      |                  | (3,142)                 |
| Dollar amount of Charges                              | 810,743              | 963,454               | 405,959               | 6,688,933                        |                      |                  | \$ (152,711)            |
| Dollar amount of Credits                              | (560,683)            | (483,741)             | (115,628)             | (3,501,204)                      |                      |                  | \$ (76,942)             |
| Net Dollar Amount                                     | 250,060              | 479,713               | 290,331               | 3,187,730                        |                      |                  | \$ (229,653)            |
| Absolute Dollar Amount                                | \$ 810,743           | \$ 963,454            | \$ 405,959            | \$ 8,277,032                     |                      |                  | \$ (152,711)            |
| <b>Late Charges from Date of Service &gt; 21 Days</b> |                      |                       |                       |                                  |                      |                  |                         |
| Number of line items                                  | 25,434               | 33,822                | 33,014                | 361,291                          |                      |                  | (8,388)                 |
| Dollar amount of Charges                              | 1,018,049            | 631,820               | 568,410               | 5,657,558                        |                      |                  | 386,230                 |
| Dollar amount of Credits                              | (1,111,898)          | (789,088)             | (422,159)             | (8,718,096)                      |                      |                  | (322,811)               |
| Net Dollar Amount                                     | (93,849)             | (157,268)             | 146,251               | (3,060,539)                      |                      |                  | 63,419                  |
| Absolute Dollar Amount                                | \$ 2,129,948         | \$ 1,420,907          | \$ 990,570            | \$ 14,375,654                    |                      |                  | \$ 709,040              |
| <b>Denials:</b>                                       |                      |                       |                       |                                  |                      |                  |                         |
| Inventory of OPEN denials - # encounters              | 2,675                | 2,772                 | 2,639                 | 1,219                            |                      |                  | (97)                    |
| Inventory of OPEN denials - (\$ at risk)              | \$ 32,234,925        | \$ 33,745,868         | \$ 33,053,616         | \$ 21,403,453                    |                      |                  | \$ (1,510,943)          |

**PPH Weekly Flash Report**

| March 08             | Feb29-Mar6 | Mar7-13 |   |   | MTD Total | MTD Budget | % Variance |
|----------------------|------------|---------|---|---|-----------|------------|------------|
| ADC (Acute)          | 346        | 337     | 0 | 0 | 342       | 312        | 9.59       |
| PMC                  | 260        | 252     | 0 | 0 | 256       | 235        | 8.65       |
| POM                  | 87         | 85      | 0 | 0 | 86        | 76         | 12.49      |
| PCCC                 | 84         | 77      | 0 | 0 | 81        | 88         | (8.17)     |
| VP                   | 123        | 122     | 0 | 0 | 123       | 123        | (0.74)     |
| Patient Days (Acute) | 2423       | 2361    | 0 | 0 | 4,784     | 4,365      | 9.59       |
| PMC                  | 1817       | 1764    |   |   | 3,581     | 3,296      | 8.65       |
| POM                  | 606        | 597     |   |   | 1,203     | 1,069      | 12.49      |
| PCCC                 | 586        | 542     |   |   | 1,128     | 1,228      | (8.17)     |
| VP                   | 861        | 854     |   |   | 1,715     | 1,728      | (0.74)     |
| Discharges           | 599        | 555     | 0 | 0 | 1,154     | 1,141      | 1.16       |
| PMC                  | 457        | 435     |   |   | 892       | 880        | 1.39       |
| POM                  | 142        | 120     |   |   | 262       | 261        | 0.37       |
| Number of Surgeries  | 224        | 249     | 0 | 0 | 473       | 444        | 6.44       |
| PMC                  | 151        | 154     |   |   | 305       | 302        | 1.10       |
| POM                  | 73         | 95      |   |   | 168       | 143        | 17.72      |
| Number of Births     | 109        | 102     | 0 | 0 | 211       | 210        | 0.26       |
| PMC                  | 88         | 72      |   |   | 160       | 168        | (5.02)     |
| POM                  | 21         | 30      |   |   | 51        | 42         | 21.43      |



**PPH Weekly Flash Report**

| <b>March 08</b>              | Feb29-Mar6 | Mar7-13    |   |   | MTD Total  | MTD Budget | % Variance |
|------------------------------|------------|------------|---|---|------------|------------|------------|
| Outpatient Visits (inc. PMC) | 2507       | 2096       | 0 | 0 | 4,603      | 3,881      | 18.60      |
| POM                          | 1686       | 1366       |   |   | 3,052      | 2,562      | 19.10      |
|                              | 821        | 730        |   |   | 1,551      | 1,319      | 17.61      |
| ER Visits (inc. PMC)         | 1893       | 1933       | 0 | 0 | 3,826      | 3,349      | 14.25      |
| POM                          | 1307       | 1309       |   |   | 2,616      | 2,232      | 17.19      |
|                              | 586        | 624        |   |   | 1,210      | 1,116      | 8.39       |
| Trauma Visits (inc. IP)      | 32         | 22         | 0 | 0 | 54         | 55         | (1.18)     |
| OP                           | 30         | 20         |   |   | 50         | 46         | 8.54       |
|                              | 2          | 2          |   |   | 4          | 9          | (53.38)    |
| Gross IP Revenue             | 21,137,049 | 22,849,698 |   |   | 43,986,747 | 39,671,731 | 10.88      |
| Gross OP Revenue             | 7,161,717  | 7,416,122  |   |   | 14,577,839 | 12,090,585 | 20.57      |
| Cash Collection              | 7,571,179  | 7,601,166  |   |   | 15,172,345 | 15,740,379 | (3.61)     |
| Days cash on hand            | 97         | 93         |   |   | 93         | 80         |            |
| Prod Hrs (PP18)              | 223,606    |            |   |   | 223,606    | 226,754    | 1.39       |
| PMC - North                  | 131,207    |            |   |   | 131,207    | 132,561    | 1.02       |
| POM - South                  | 56,780     |            |   |   | 56,780     | 58,648     | 3.19       |
| Others                       | 35,619     |            |   | - | 35,619     | 35,545     | (0.21)     |
| Prod \$ (PP 18)              | 7,188,430  |            |   |   | 7,188,430  | 7,098,568  | (1.27)     |
| PMC - North                  | 4,237,429  |            |   |   | 4,237,429  | 4,196,091  | (0.99)     |
| POM - South                  | 1,757,601  |            |   |   | 1,757,601  | 1,728,931  | (1.66)     |
| Others                       | 1,193,400  |            |   | - | 1,193,400  | 1,173,546  | (1.69)     |