

North Mississippi Health Services, Inc. and Subsidiaries
Consolidated Statements of Operations

Operating Statement

For the year ended September 30,

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
WHERE THE MONEY COMES FROM:					
We billed for services to inpatients	\$ 713,198,913	\$ 671,823,224	\$ 674,856,239	\$ 652,787,153	\$ 613,802,198
We billed for services to outpatients	695,998,736	655,998,938	553,283,279	479,218,786	430,961,945
We had other operating revenue of	<u>21,892,455</u>	<u>21,487,000</u>	<u>20,448,073</u>	<u>19,288,193</u>	<u>22,818,118</u>
Total operating revenue	1,431,090,104	1,349,309,162	1,248,587,591	1,151,294,132	1,067,582,261
BECAUSE WE DID NOT RECEIVE FULL PAYMENT:					
From those unable to pay (charity care based on charges)	(56,140,000)	(61,600,000)	(52,417,732)	(64,413,000)	(45,177,000)
From Medicare and Medicaid	(483,693,653)	(463,994,934)	(434,695,056)	(409,100,270)	(368,733,780)
From other contracted payors	<u>(154,543,912)</u>	<u>(129,130,967)</u>	<u>(110,187,766)</u>	<u>(76,740,971)</u>	<u>(66,388,635)</u>
Therefore we wrote off	(694,377,565)	(654,725,901)	(597,300,554)	(550,254,241)	(480,299,415)
OUR NET REVENUE WAS	736,712,539	694,583,261	651,287,037	601,039,891	587,282,846
WHERE THE MONEY GOES:					
To pay our 6,407 employees salaries and benefits	362,663,922	346,416,144	329,214,302	309,854,895	303,597,572
To purchase supplies and services	224,443,256	210,110,915	183,232,568	182,840,933	176,202,674
To allow for wear and tear on buildings and equipment	42,306,425	42,217,320	42,050,456	40,079,708	37,666,048
To pay for utilities	8,949,557	8,402,607	8,371,878	7,413,608	6,808,359
To pay interest on our outstanding debt	4,801,011	5,426,937	5,632,640	4,332,056	3,341,465
To allow for those patients who are unwilling to pay (bad debts)	<u>72,771,765</u>	<u>72,067,114</u>	<u>56,921,439</u>	<u>55,354,773</u>	<u>52,252,955</u>
Our total expense was	715,935,936	684,641,037	625,423,283	599,875,973	579,869,073
This provides an operating margin of	20,776,603	9,942,224	25,863,754	1,163,918	7,413,773
We had income (losses) from investments and nonoperating revenue of	<u>(8,437,404)</u>	<u>30,575,492</u>	<u>19,864,044</u>	<u>17,016,873</u>	<u>16,412,672</u>
Funds remaining to pay on outstanding debt and to invest in the hospital system's future . . . (new and replacement equipment, new technology, new services, etc.)	\$ 12,339,199	\$ 40,517,716	\$ 45,727,798	\$ 18,180,791	\$ 23,826,445

Hospital System Statistics:

Admissions - inpatient	36,124	34,405	38,744	38,187	39,611
Skilled Nursing Facilities patient days	102,837	101,922	98,291	94,645	94,358
Emergency department visits	123,101	118,588	111,845	108,396	105,551
Outpatient visits	323,321	333,111	328,226	313,942	327,915
Home care visits	332,512	316,576	298,338	288,874	261,875
Surgeries	25,276	25,073	25,353	24,439	25,045
Clinic encounters	616,116	579,235	577,474	578,969	575,397