

SPARTANBURG REGIONAL HEALTHCARE SYSTEM
CONSOLIDATED FINANCIAL STATEMENT - SUMMARY
NINTH PERIOD, ENDING JUNE 30, 2010

Note: These unaudited financial statements have been prepared in accordance with generally accepted accounting procedures for interim financial information. They do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals and estimates) considered necessary for a fair presentation have been included. Operating results for the month and year-to-date reflected on these financial statements are not necessarily indicative of the results that may be expected for the entire fiscal year.

SPARTANBURG REGIONAL HEALTHCARE SYSTEM
Statistical Summary
For the Nine Months Ending June 30, 2010

Current Month			Prior Year	Year-to-Date			Prior Year
Actual	Budget	% Variance	Actual	Actual	Budget	% Variance	Actual
11,496	12,925	-11.1%	12,136	114,085	116,104	-1.7%	112,845
4.95	5.27	-0.06	5.28	5.23	5.28	-1.0%	5.30
2,333	2,452	-4.9%	2,340	21,820	21,977	-0.7%	21,308
2,321	2,452	-5.3%	2,299	21,819	21,977	-0.7%	21,274
409	347	17.9%	344	3,161	3,102	1.9%	3,006
1.20	1.07	0.13	1.05	1.16	1.05	11.0%	1.06
341	325	4.9%	331	2,687	2,962	-9.3%	2,752
340	325	4.6%	327	2,719	2,962	-8.2%	2,827
473	390	21.3%	459	4,060	3,549	14.4%	3,571
10.06	11.14	-0.10	18.36	12.45	11.02	13.0%	12.62
40	35	14.3%	29	319	322	-0.9%	283
47	35	34.3%	25	326	322	1.2%	283
12,378	13,662	-9.4%	12,939	121,306	122,755	-1.2%	119,422
4.57	4.86	-0.06	4.88	4.88	4.86	0.4%	4.90
2,714	2,812	-3.5%	2,700	24,826	25,261	-1.7%	24,343
2,708	2,812	-3.7%	2,651	24,864	25,261	-1.6%	24,384
59.4%	65.5%	-9.4%	59.1%	63.9%	64.6%	-1.0%	61.4%
69.3%	76.3%	-9.1%	68.9%	75.8%	76.7%	-1.1%	70.0%
412.60	455.40	-0.09	431.30	444.34	449.65	-1.2%	437.44
			Nursery Days				
409	466	-12.2%	451	3,672	4,137	-11.2%	3,800
207	300	-31.0%	406	2,230	2,730	-18.3%	2,577
585	450	30.0%	640	4,838	4,095	18.1%	4,307
265	254	4.3%	269	2,174	2,259	-3.8%	2,255
			Other				
11,876	8,970	32.4%	9,330	90,259	81,085	11.3%	81,101
3,078	2,888	6.6%	4,282	31,385	26,291	19.4%	37,288
2,684	2,911	-7.8%	2,686	24,805	26,486	-6.3%	23,734
16,203	15,100	7.3%	16,952	149,893	137,418	9.1%	138,700
366	362	1.1%	344	3,334	3,294	1.2%	3,265
2,651	2,970	-10.7%	3,027	25,748	27,027	-4.7%	25,232
1,322	1,167	13.3%	1,189	11,085	10,555	5.0%	10,352
38,448	35,797	7.4%	42,692	316,872	325,755	-2.7%	376,943
4562.18	4656.96	-2.0%	4455.44	4584.01	4631.62	-1.0%	4424.06
578.68	474.01	22.1%	486.79	486.28	471.55	3.1%	567.89
1.41	0.00	0.0%	1.93	9.55	0.00	0.0%	3.49
5139.45	5130.97	0.2%	4940.30	5060.74	5103.17	-0.8%	4988.46
6.71	7.11	(5.6%)	7.54	6.73	7.18	(6.3%)	7.16
0.00	0.00	0.00	0.00	0.00	0.00	0.0%	3.64

SPARTANBURG REGIONAL HEALTHCARE SYSTEM
STATEMENT OF OPERATIONS - FIXED BUDGET
NINTH PERIOD, ENDING JUNE 30, 2010
(\$s in thousands)

Current				Year-to-Date				
Actual	Fixed Budget	Variance	2009 Actual		Actual	Fixed Budget	Variance	2009 Actual
				<u>Patient Revenue</u>				
\$ 81,416	\$ 109,612	\$ (28,196)	\$ 103,828	Inpatient	\$ 834,736	\$ 986,477	\$(151,741)	\$ 936,773
79,482	74,123	5,359	72,032	Outpatient	666,918	662,064	4,854	601,940
\$ 160,898	\$ 183,735	\$ (22,837)	\$ 175,860	Total Patient Revenue	\$ 1,501,654	\$ 1,648,541	\$(146,887)	\$ 1,538,713
				<u>Deductions from Revenue</u>				
\$ 58,590	\$ 74,721	\$ (16,131)	\$ 69,966	Medicare and Medicaid	\$ 582,835	\$ 671,787	\$ (88,952)	\$ 646,133
7,755	9,367	(1,612)	8,957	Charity	71,481	84,272	(12,791)	78,022
30,500	35,741	(5,242)	39,672	Other	271,450	319,382	(47,933)	276,181
4,405	4,796	(391)	(2,651)	Provision for Bad Debts	45,386	42,777	2,609	42,326
\$ 101,250	\$ 124,625	\$ (23,376)	\$ 115,944	Total Deductions from Revenue	\$ 971,152	\$ 1,118,218	\$(147,067)	\$ 1,042,662
\$ 59,648	\$ 59,109	\$ 539	\$ 59,916	Net Patient Service Revenue	\$ 530,502	\$ 530,323	\$ 180	\$ 496,051
2,085	1,959	126	1,582	Other Revenue	14,330	15,342	(1,012)	13,599
\$ 61,733	\$ 61,068	\$ 665	\$ 61,498	Total Unrestricted Revenue and Other Support	\$ 544,832	\$ 545,664	\$ (833)	\$ 509,650
				<u>Operating Expenses</u>				
26,837	26,321	\$ 517	\$ 25,314	Salaries	238,620	237,587	\$ 1,033	\$ 223,474
7,672	7,180	492	6,908	Benefits	62,263	65,297	(3,034)	62,893
10,541	9,722	819	11,228	Supplies	90,871	89,889	982	86,182
6,190	6,656	(466)	6,599	Fees and Purchased Services	58,970	58,868	103	54,839
-	-	-	-	Home Office Allocation	-	-	-	-
-	-	-	-	Professional Fees	-	-	-	-
4,555	4,264	291	4,181	Depreciation and Interest	40,056	38,622	1,434	36,209
5,019	5,235	(216)	4,994	Other	47,516	48,561	(1,045)	42,326
\$ 60,815	\$ 59,379	\$ 1,436	\$ 59,224	Total Operating Expense	\$ 538,297	\$ 538,824	\$ (528)	\$ 505,923
\$ 918	\$ 1,689	\$ (771)	\$ 2,274	Income (Loss) from Operations	\$ 6,535	\$ 6,840	\$ (305)	\$ 3,727
1.49%	2.77%			Operating Margin Ratio	1.20%	1.25%		
				<u>Non-operating Gains (Losses)</u>				
\$ 1,965	\$ 202	\$ 1,763	\$ (413)	Investment Interest	\$ 5,356	\$ 1,794	\$ 3,562	\$ (7,271)
(3,251)	421	(3,672)	344	Other	2,646	3,223	(577)	(1,547)
\$ (1,286)	\$ 623	\$ (1,909)	\$ (69)	Total Non-operating Gains (Losses)	\$ 8,002	\$ 5,017	\$ 2,985	\$ (8,818)
				Excess (Deficit) of Revenue and Gains Over Expenses and Losses	\$ 14,537	\$ 11,856	\$ 2,680	\$ (5,091)
\$ (368)	\$ 2,312	\$ (2,680)	\$ 2,205					

SPARTANBURG REGIONAL HEALTHCARE SYSTEM
 STATEMENT OF CHANGES IN FUND BALANCE
 NINTH PERIOD, ENDING JUNE 30, 2010
 (\$s in thousands)

Month		Date
\$ (368)	Excess (Deficit) of Revenue and Gains Over Expenses and Losses	\$ 14,537
\$ (368)	Increase (decrease in Fund Balance)	\$ 14,537
\$ 502,404	Beginning Balance of Fund Balance	\$ 487,499
\$ 502,036	Ending Balance of Fund Balance	\$ 502,036

SPARTANBURG REGIONAL HEALTHCARE SYSTEM
BALANCE SHEET
NINTH PERIOD, ENDING JUNE 30, 2010
(\$s in thousands)

ASSETS	<u>JUNE 30</u> 2010	<u>2009</u> FYE	<u>Change</u> Diff
Current Assets			
Cash	\$ 77,117	\$ 116,579	\$ (39,462)
Investments	21,998	-	21,998
Patient Accounts Receivable, Net of Reserves	101,507	87,047	14,460
Other Receivables	6,645	11,714	(5,069)
Promissory Notes Receivable	-	-	-
Inventories	5,528	6,021	(493)
Prepaid Expense	5,626	6,818	(1,192)
Due From Spartanburg County	419	-	419
Due From Related Entities	0	-	0
	-	-	-
Total Current Assets	<u>\$ 218,842</u>	<u>\$ 228,179</u>	<u>(9,337)</u>
Assets Limited as to Use			
Board Designated Cash and Investments	\$ 161,460	\$ 133,256	\$ 28,204
Board Designated Other Assets	1,226	773	453
Funds Held by Trustee	2,521	6,896	(4,375)
	-	-	-
Total Assets Limited as to Use	<u>\$ 165,207</u>	<u>\$ 140,925</u>	<u>\$ 24,282</u>
Property, Plant and Equipment			
Cost	\$ 839,047	\$ 833,327	\$ 5,720
Accumulated Depreciation	(412,756)	(393,343)	(19,413)
Construction in Process	7,754	8,489	(735)
Total Property, Plant and Equipment	<u>\$ 434,045</u>	<u>\$ 448,473</u>	<u>\$ (14,429)</u>
Other Assets			
Unamortized Financing Costs	\$ 5,887	\$ 6,110	\$ (223)
Goodwill and Other Intangibles, Net	-	-	-
Deferred Compensation	-	-	-
Investments in Joint Ventures	12,983	11,905	1,078
Investment in related entities	0	-	0
Net Investments in Financing Leases	-	158	(158)
Total Other Assets	<u>18,870</u>	<u>18,173</u>	<u>697</u>
TOTAL ASSETS	<u><u>836,963</u></u>	<u><u>835,750</u></u>	<u><u>1,213</u></u>
LIABILITIES AND FUND BALANCE			
Current Liabilities			
Accounts Payable	\$ 18,503	\$ 35,270	\$ (16,767)
Salaries and Fees Payable	16,523	7,155	9,368
Accrued Expenses	42,394	44,188	(1,794)
Estimated Third Party Settlements	15,275	15,231	44
Current Portion of Long Term Debt	8,284	8,512	(228)
Total Current Liabilities	<u>\$ 100,979</u>	<u>\$ 110,356</u>	<u>\$ (9,377)</u>
Deferred Compensation	-	-	-
Long Term Debt	218,674	225,572	(6,898)
Other Long Term Liabilities	15,275	12,323	2,952
Fund Balance	502,036	487,499	14,537
	-	-	-
TOTAL LIABILITIES AND FUND BALANCE	<u><u>836,963</u></u>	<u><u>835,750</u></u>	<u><u>1,213</u></u>

SPARTANBURG REGIONAL HEALTHCARE SYSTEM
STATEMENT OF CASH FLOWS - YEAR TO DATE
NINTH PERIOD, ENDING JUNE 30, 2010
(\$s in thousands)

Operating Activities	
Cash receipts from patients	516,086
Other Operating revenue	14,330
Cash payments to vendors	(227,714)
Cash payments for salaries and benefits	(293,310)
Net cash provided by operating activities	<u>9,391</u>
Noncapital Financing Activities	
Contributions made	593
Other	-
Net cash used in noncapital financing activities	<u>593</u>
Capital and related financing activities	
Donations for purchase of property, plant and equip	1,198
Purchases of property, plant and equipment	(4,984)
Payments on long term debt	(9,177)
Proceeds from long term debt	1,522
Amortization and refunding	36
Gain on Asset Disposal	51
Net Investment in financing leases	158
Net cash used by capital and related financing activities	<u>(11,197)</u>
Investing activities	
Purchases of investments	(174,636)
Sales of investments	116,535
Increase in trustee funds	4,375
Investment income realized and unrealized	5,356
Distributions from (contributions to) joint ventures, net	2,678
Net Cash used in investing activities	<u>(45,691)</u>
Net increase (decrease) in cash and cash equivalents	(46,904)
Cash and cash equivalents at beginning of year	152,788
Cash and cash equivalents at end of year	<u><u>105,884</u></u>
Reconciliation of cash and cash equivalents	
Cash and cash equivalents on the combined balance sheet	77,121
Cash and cash equivalents in assets with limited use	28,764
Total Cash and Cash equivalents	<u><u>105,885</u></u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income	6,535
Interest paid considered capital financing activity	7,167
Adjustments to reconcile operating income to net cash provided by operating activities:	
Bad Debt	45,386
Depreciation	32,888
Amortization	-
Changes in operating assets and liabilities:	
Patient accounts receivable	(59,846)
Inventories of drugs and supplies	493
Other current assets	5,842
Other Assets	(13,250)
Accounts payable	(23,442)
Estimated third-party settlements	44
Accrued Liabilities	7,573
Net Cash provided by operating activities	<u>9,390</u>