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**Greg S. Hembree**  
Chief Financial Officer

May 8, 2012

**CERTIFICATE OF CHIEF FINANCIAL OFFICER**

I, Greg S. Hembree, the Chief Financial Officer of the Hospital Authority of Valdosta and Lowndes County, Georgia D/B/A South Georgia Medical Center, have reviewed the attached unaudited balance sheet, unaudited statement of revenues and expenses, and unaudited statement of cash flows for the six month period ending March 31, 2012, and to the best of my knowledge the statements present fairly the financial position, results of operations, and cash flows of the Authority.

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Greg S. Hembree  
Chief Financial Officer

**HOSPITAL AUTHORITY OF VALDOSTA AND LOWNDES COUNTY  
BALANCE SHEET**

	(Unaudited) 31-Mar-12	(Unaudited) 30-Sep-11
<b>ASSETS</b>		
Operating cash	63,119,929	74,589,069
Assets limited as to use	16,342,663	16,346,051
Patient accounts receivable	70,714,180	51,695,056
Other receivables	3,839,595	3,228,687
Supplies	5,130,019	5,210,999
Other current assets	5,211,644	3,308,284
<b>Total current assets</b>	<b>164,358,030</b>	<b>154,378,146</b>
Assets limited as to use:		
Internally designated for capital improvement	176,875,344	164,756,332
Under trust agreement for professional liability claims	11,517,211	11,503,740
Under indenture agreement - held by trustee	51,153,169	45,194,931
Total assets limited as to use	239,545,725	221,455,003
Less assets limited as to use and required for current liabilities	(16,342,663)	(16,346,051)
<b>Noncurrent assets limited as to use</b>	<b>223,203,062</b>	<b>205,108,952</b>
<b>Property and equipment, net</b>	<b>140,017,545</b>	<b>134,957,220</b>
Other assets:		
Other receivables	2,884,646	2,895,453
Deferred financing costs	1,909,525	1,460,142
Goodwill	29,894,171	29,894,171
Investments	166,284	166,284
<b>Total other assets</b>	<b>34,854,626</b>	<b>34,416,050</b>
<b>Total assets</b>	<b>562,433,264</b>	<b>528,860,368</b>

**HOSPITAL AUTHORITY OF VALDOSTA AND LOWNDES COUNTY  
BALANCE SHEET**

	(Unaudited) 31-Mar-12	(Unaudited) 30-Sep-11
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Current installments of long-term debt	4,939,053	4,987,816
Accounts payable	12,009,191	10,584,335
Accrued salaries and deductions	3,687,121	5,219,258
Accrued employee benefits	12,774,537	12,477,285
Accrued interest	3,875,008	2,315,319
Other accrued expenses	11,244,630	10,158,890
Deferred revenue	(572,856)	20,450
Estimated third-party payor settlements	509,756	509,756
<b>Total current liabilities</b>	<b>48,466,440</b>	<b>46,273,109</b>
Long-term debt:		
Bonds payable, net	222,380,282	211,569,685
Notes payable	492,703	739,054
Leases payable	682,052	682,052
<b>Long-term debt, excluding current installments</b>	<b>223,555,037</b>	<b>212,990,791</b>
<b>Unrestricted net assets</b>	<b>290,411,787</b>	<b>269,596,468</b>
<b>Total liabilities and net assets</b>	<b>562,433,264</b>	<b>528,860,368</b>

**HOSPITAL AUTHORITY OF VALDOSTA AND LOWNDES COUNTY (COMBINED)**  
**STATEMENT OF OPERATIONS**  
**March 31, 2012**

Quarter to Date			Year to Date	
(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)
Actual	Prior Year		Actual	Prior Year
<b>REVENUE</b>				
<b>78,581,908</b>	64,541,769	Net patient service, net of bad debt	<b>157,592,218</b>	123,094,436
<b>3,109,632</b>	2,393,976	Other operating	<b>6,050,451</b>	4,776,373
<b>81,691,540</b>	66,935,745	Total revenue	<b>163,642,669</b>	127,870,809
<b>EXPENSES</b>				
<b>35,576,248</b>	28,955,440	Salaries and benefits	<b>71,761,304</b>	58,768,692
<b>17,755,439</b>	14,712,387	Supplies	<b>36,074,478</b>	28,986,183
<b>9,071,426</b>	6,689,599	Services	<b>17,349,425</b>	12,974,759
<b>5,852,824</b>	4,523,751	Depreciation / amortization	<b>11,724,061</b>	9,047,502
<b>4,977,958</b>	3,279,037	Medical / professional fees	<b>9,606,461</b>	6,622,097
<b>1,042,640</b>	1,005,059	Utilities	<b>2,028,023</b>	1,850,594
<b>2,349,701</b>	1,203,072	Interest	<b>4,086,009</b>	2,601,753
<b>409,525</b>	407,917	Education / recruitment	<b>956,347</b>	970,242
<b>880,668</b>	863,039	Insurance	<b>1,795,196</b>	1,687,432
<b>77,916,429</b>	61,639,301	Total expenses	<b>155,381,304</b>	123,509,254
<b>3,775,111</b>	5,296,444	Operating income	<b>8,261,365</b>	4,361,555
<b>6,035,544</b>	3,428,829	Investment income	<b>12,503,953</b>	5,713,360
<b>9,810,655</b>	8,725,273	Excess revenues	<b>20,765,318</b>	10,074,915

**HOSPITAL AUTHORITY OF VALDOSTA AND LOWNDES COUNTY  
STATEMENT OF CASH FLOWS**

	(Unaudited) 31-Mar-12	(Unaudited) 30-Sep-11
<b>OPERATING ACTIVITIES</b>		
Operating income	8,261,364	5,147,898
Interest expense for capital financing	4,024,440	4,618,284
Depreciation and amortization expense	11,724,062	17,476,378
Amortization included in interest expense	61,569	276,110
Changes in:		
Patient accounts receivable	(19,019,123)	(2,985,890)
Supplies	80,981	(740,902)
Accounts payable	1,424,858	4,498,962
Amounts due to (from)		
Third party payers	-	6,637
Deferred third part reimbursement	(593,306)	-
Accrued expenses	1,410,544	(729,057)
<b>Net cash provided by operating activities</b>	<b>7,375,389</b>	<b>27,568,420</b>
<b>CAPITAL AND FINANCING ACTIVITIES</b>		
Additions to long-term debt	148,280,000	128,300,000
Payment of long-term debt	(138,275,470)	(18,807,540)
Interest paid on long-term debt	(4,024,440)	(4,618,284)
Purchase of property, plant, and equipment	(16,784,387)	(84,054,052)
Contributions for capital improvements	50,000	124,381
<b>Net cash used by capital and financing activities</b>	<b>(10,754,297)</b>	<b>20,944,505</b>
<b>INVESTING ACTIVITIES</b>		
Net purchase of investments	(12,105,596)	(3,436,990)
Income on investments	12,503,953	4,220,337
Increase in other assets	(1,903,360)	(157,262)
Increase in other receivables	(600,103)	(503,522)
<b>Net cash provided (used) by investing activities</b>	<b>(2,105,106)</b>	<b>122,563</b>
Net increase in cash and cash equivalents	(5,484,015)	48,635,488
Cash and cash equivalents, beginning of period	131,375,802	82,740,314
<b>Cash and cash equivalents, end of period</b>	<b>125,891,787</b>	<b>131,375,802</b>
Cash and cash equivalents in current assets	63,119,929	74,589,069
Cash and cash equivalents in assets limited as to use:		
Internally designated for capital improvements	112,743	112,633
Under trust agreement for professional liability claims	11,505,946	11,479,169
Under indenture agreement held by trustee	51,153,169	45,194,931
<b>Total cash and cash equivalents</b>	<b>125,891,787</b>	<b>131,375,802</b>