

2007 ANNUAL REPORT



It's been a year of progress, of accolades and of service.
This is our report to the community for the year 2007.

Advancing our quest to be your lifetime hospital.

Achievements of 2007

Added 11 physicians to the medical staff

Invested \$1.7 million in acquiring permanent MRI which is in successful operation

Was the only hospital to receive the Hallmarks of Healthy Workplace Award from North Carolina Nurses Association

Four nurses were recognized in the "Great 100 Nurses" in North Carolina

Halifax Medical Park became a tobacco-free campus

Increased utilization of services and gained market share

Initiated guest relations program

Renovated nursing stations/common areas of three floors and relocated several departments to expand available space within the hospital

Developed marketing program with focus on Joint Care Center, Birthing Center, diagnostic imaging and Halifax Works

Improved financial condition – operating margin, cash collections and reserves all increased, and revenues reached \$95 million

Halifax Regional Foundation raised a record \$81,000, including \$52,000 from employees of the Medical Center

A record amount also was distributed by the Foundation, including funds for the Free Clinic, purchase of exercise equipment for psychiatric patients, and support for the tobacco-free campaign

Awarded \$118,000 in scholarships to students in nursing, pharmacy and cardiopulmonary programs

Received over \$400,000 in grants from six foundations and agencies

MAKING A GOOD COMMUNITY MEDICAL CENTER BETTER

Halifax Regional is moving forward, with increased support from the community. This year, we invested \$3.2 million on equipment, added 11 physicians, increased utilization, and improved our financial condition.

As a not-for-profit business, Halifax Regional invests any surplus into improving the health of the community. We treat all patients, regardless of their ability to pay. Last year, we provided \$22 million in uncompensated care.

Providing quality healthcare services is only part of our contribution to the community. With approximately 850 employees, Halifax Regional is one of the region's largest employers. Many of the approximately 60 physicians on our staff hire their own employees and invest in developing their practices, extending our economic impact. The Medical Center purchases millions of dollars of goods and services in the region.

With its abundant natural resources and strategic location, our market is dynamic and offers exciting opportunities. At Halifax Regional, we are committed to growing to meet the evolving healthcare needs of the wonderful people who make this region special.

In this report last year, we concluded that "our goal is to earn your support and trust by placing patients first." We made significant progress in meeting that goal in 2007; yet, many challenges face us in the changing environment of community healthcare. Together, we are building an effective organization that truly is placing patients first. It shows in everything we do. Thank you for supporting us.



Will Mahone
President and CEO



J. Hugh Bazemore
Chairman, Board of Directors

OUR { *financial* } HEALTH

The financial performance of the Medical Center has improved significantly over 2006. Increases in utilization, control of expenses and new physicians account for the improvement.

For the year, we earned approximately \$1.5 million after expenses. With the strong stock market, we earned approximately \$1 million from our investments. So, our surplus to invest in improving healthcare in the community is approximately \$2.5 million.

The \$1.5 million income after operating expenses represents approximately 1.5 percent of our excess revenue. Industry averages are in the 4 - 5 percent range, so one of our goals is to continue to strengthen the financial condition of the Medical Center.

Below is the summary of our income and expenses.

FINANCIAL REVIEW

Year Ending September 30, 2007

Operating Income	\$95,697,066
Expenses:	
Salaries and Benefits	\$46,911,877
Supplies	\$13,306,696
Bad Debt	\$13,439,848
Depreciation on Equipment and Buildings	\$5,076,124
Other	\$15,448,438
Total Expenses	\$94,182,983
Total Operating Income After Expenses	\$1,514,083

OUR MISSION

Halifax Regional Medical Center exists to meet the healthcare needs of the community by providing excellent and compassionate services – and always placing Patients First.

OUR VISION

Halifax Regional Medical Center will be the premier source of healthcare service through exceptional customer service, clinical excellence, new technology and modern facilities.



Halifax Regional Medical Center
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