

Mary Washington Healthcare and Subsidiaries
Consolidating Balance Sheet
June 30, 2010

	Consolidated	Eliminations	Mary Washington Healthcare	Mary Washington Hospital, Inc.	Stafford Hospital, LLC	MediCorp Properties, Inc.	Mary Washington Healthcare Clinical Services, Inc.	MWH Foundation, Inc.	SH Foundation, Inc.	Mary Washington Healthcare Services, Inc.	Fredericksburg Professional Risk Exchange
Assets											
Current Assets:											
Cash and short-term invest	40,396,431.04	-	29,716,283.07	742,018.60	196,208.16	(55,386.53)	4,105,327.76	12,902.36	454,416.65	324,595.92	4,900,065.05
Letter of Credit	150,000.00	5,588,000.00	-	-	-	-	-	-	-	-	5,738,000.00
Accounts receivable:											
Patient accounts	79,200,148.46	-	-	59,418,459.33	9,130,193.14	(1,899.80)	10,356,835.48	-	-	296,560.31	-
Due from affiliates	-	-	12,008,977.81	12,565,298.92	(9,244,616.64)	1,270,105.59	(2,532,134.70)	(8,202,171.06)	(10,418.16)	(5,855,041.76)	-
Stimnt due to 3rd parties	9,582,085.69	-	-	7,271,564.00	2,310,521.69	-	-	-	-	-	-
Premiums receivable	571,654.50	-	-	-	-	-	-	-	-	-	571,654.50
Reinsurance recoverable	2,755,000.00	-	-	-	-	-	-	-	-	-	2,755,000.00
Other	1,449,319.12	-	331,623.19	431,246.74	(6,693.09)	102,195.93	406,852.86	56,332.92	-	73,042.96	54,717.61
Total accounts receivable	93,558,207.77	-	12,340,601.00	79,686,568.99	2,189,405.10	1,370,401.72	8,231,553.64	(8,145,838.14)	(10,418.16)	(5,485,438.49)	3,381,372.11
Notes receivable	500,000.00	-	-	-	-	500,000.00	-	-	-	-	-
Inventories	9,873,839.35	-	-	6,470,114.10	2,089,247.48	-	666,920.78	-	-	647,556.99	-
Prepaid expenses and other	9,600,098.95	-	5,256,746.47	2,225,056.92	883,388.66	254,588.22	421,917.43	(962.29)	-	156,869.10	402,494.44
Total current assets	154,078,577.11	5,588,000.00	47,313,630.54	89,123,758.61	5,358,249.40	2,069,603.41	13,425,719.61	(8,133,898.07)	443,998.49	(4,356,416.48)	14,421,931.60
Assets whose use is limited											
Int designated for capital	113,524,084.45	-	69,541,081.18	0.02	-	-	-	40,287,319.39	3,695,683.86	-	-
Int designated for insurance	17,215,160.70	-	-	-	-	-	-	-	-	-	17,215,160.70
Ext restricted by donors	13,843,189.16	-	-	-	-	-	-	13,840,479.95	2,709.21	-	-
Ext restricted under bonds	6,286,701.81	-	-	6,286,701.81	-	-	-	-	-	-	-
AWUL-Gross	150,869,136.12	-	69,541,081.18	6,286,701.83	-	-	-	54,127,799.34	3,698,393.07	-	17,215,160.70
Net AWUL	150,869,136.12	-	69,541,081.18	6,286,701.83	-	-	-	54,127,799.34	3,698,393.07	-	17,215,160.70
Property, plant and equipment	340,191,234.55	-	8,676,558.38	107,189,944.42	138,476,062.03	75,850,392.16	9,634,161.39	-	-	364,116.17	-
Other assets:											
Notes receivable	4,626,887.67	210,586.02	210,586.02	4,033,681.01	-	198,860.20	394,346.46	-	-	-	-
Deferred financing costs	1,648,186.97	-	-	832,068.21	816,118.76	-	-	-	-	-	-
Miscellaneous	6,898,990.87	-	674,620.14	125,714.77	25,000.00	5,616,535.28	-	-	-	457,120.68	-
Equity in subsidiaries	-	175,610,556.53	175,610,556.53	-	-	-	-	-	-	-	-
Total assets	658,313,013.29	181,409,142.55	302,027,032.79	207,591,868.85	144,675,430.19	83,735,391.05	23,454,227.46	45,993,901.27	4,142,391.56	(3,535,179.63)	31,637,092.30
Liabilities and net assets											
Current liabilities:											
Accts payable & accr expense	16,798,480.78	5,588,000.00	6,839,879.75	8,203,474.38	1,230,879.91	(60,716.18)	5,755,324.26	9,855.80	(3,942.62)	206,752.14	204,973.34
Stimnt due from 3rd parties	12,202,502.00	-	-	12,202,502.00	-	-	-	-	-	-	-
Employee comp and pro fees	31,672,764.02	-	12,381,618.89	13,119,435.95	1,822,972.14	-	3,937,063.61	-	-	411,673.43	-
Interest payable	641,296.72	-	-	298,079.45	270,181.10	-	73,036.17	-	-	-	-
Unearned Premiums	3,216,504.12	-	-	-	-	-	-	-	-	-	3,216,504.12
Pension Liability-Current	5,000,000.00	-	5,000,000.00	-	-	-	-	-	-	-	-
Cur maturities of LT debt	7,823,739.45	130,670.72	-	6,582,236.18	297,310.60	622,827.61	452,035.78	-	-	-	-
Total current liabilities	77,355,287.09	5,718,670.72	24,221,498.64	40,405,727.96	3,621,343.75	562,111.43	10,217,459.82	9,855.80	(3,942.62)	618,425.57	3,421,477.46
LT obligations, less cur mat	280,666,348.82	79,915.30	-	146,152,803.58	131,236,310.60	2,409,825.00	947,324.94	-	-	-	-

Other liabilities:

Accr Losses on Malpractice	12,892,211.25	-	-	3,335,618.52	-	-	-	-	-	-	9,556,592.73
Accr Losses on Excess Ins	2,755,000.00	-	-	-	-	-	-	-	-	-	2,755,000.00
Pension liability	24,749,542.89	-	24,749,542.89	-	-	-	-	-	-	-	-
Annuities Payable	48,404.07	-	-	-	-	-	-	49,474.07	(1,070.00)	-	-
Minority interest	6,790,227.91	-	-	-	-	805,050.77	5,581,623.47	-	-	-	403,553.67
Total liabilities	<u>405,257,022.03</u>	<u>5,798,586.02</u>	<u>48,971,041.53</u>	<u>189,894,150.06</u>	<u>134,857,654.35</u>	<u>3,776,987.20</u>	<u>16,746,408.23</u>	<u>59,329.87</u>	<u>(5,012.62)</u>	<u>618,425.57</u>	<u>16,136,623.86</u>
Net assts & stkholders' equity											
Common stock	2,685,568.02	2,685,568.02	2,685,568.02	-	-	-	1,000.00	-	-	2,684,568.02	-
Retained-earnings (deficit)	274,551,814.22	-	96,050,967.65	168,799,040.94	(33,919,999.39)	12,177,079.94	16,732,843.64	13,183,793.24	593,987.21	(8,978,367.45)	9,912,468.44
Unrestricted net assets	(43,612,580.14)	143,581,330.91	124,975,797.99	(151,101,322.15)	43,737,775.23	67,781,323.91	(10,026,024.41)	18,910,298.21	3,550,707.76	2,140,194.23	-
Temp restricted net assets	12,584,979.12	12,584,979.12	12,584,979.12	-	-	-	-	12,582,269.91	2,709.21	-	-
Perm restricted net assets	1,258,210.04	1,258,210.04	1,258,210.04	-	-	-	-	1,258,210.04	-	-	-
Subscriber Account Balances	5,588,000.00	15,500,468.44	15,500,468.44	-	-	-	-	-	-	-	5,588,000.00
Total net assets	<u>253,055,991.26</u>	<u>175,610,556.53</u>	<u>253,055,991.26</u>	<u>17,697,718.79</u>	<u>9,817,775.84</u>	<u>79,958,403.85</u>	<u>6,707,819.23</u>	<u>45,934,571.40</u>	<u>4,147,404.18</u>	<u>(4,153,605.20)</u>	<u>15,500,468.44</u>
Total liabilities & net assets	<u>658,313,013.29</u>	<u>181,409,142.55</u>	<u>302,027,032.79</u>	<u>207,591,868.85</u>	<u>144,675,430.19</u>	<u>83,735,391.05</u>	<u>23,454,227.46</u>	<u>45,993,901.27</u>	<u>4,142,391.56</u>	<u>(3,535,179.63)</u>	<u>31,637,092.30</u>

Mary Washington Healthcare and Subsidiaries
Consolidating Statement of Operations
June 30, 2010

	Consolidated	Eliminations	Mary Washington Healthcare	Mary Washington Hospital, Inc.	Stafford Hospital, LLC	MediCorp Properties, Inc.	Mary Washington Healthcare Clinical Services, Inc.	MWH Foundation, Inc.	SH Foundation, Inc.	Mary Washington Healthcare Services, Inc.	Fredericksburg Professional Risk Exchange
Revenue and other support:											
Net patient service revenue	342,389,243.47	1,589,520.68	-	259,521,925.52	38,210,963.27	-	45,676,570.48	-	-	569,304.88	-
Retail sales	2,834,421.75	182,934.63	-	-	-	-	6,883.41	-	-	3,010,472.97	-
Billing and collection svcs	27.20	1,386,476.48	91,536.64	-	-	-	-	-	-	1,294,967.04	-
Rental of facilities	1,560,526.03	5,064,500.72	-	21,186.63	-	6,591,496.18	12,343.94	-	-	-	-
Mgmt and personnel services	2,136,863.68	42,544,589.67	35,234,449.72	-	-	196,319.81	8,345,965.05	-	-	904,718.77	-
Investment Income	1,617,821.36	7,415.18	769,171.43	22,470.48	999.16	11,111.65	16,256.30	429,625.56	34,947.88	-	340,654.08
Unrestricted contributions	360,518.02	-	7,076.00	56,595.88	-	-	63,826.45	122,753.59	103,076.35	7,189.75	-
Other	6,615,218.72	4,883,601.02	558,736.95	3,849,329.15	247,305.03	987,313.62	1,242,476.47	54,655.73	1,500.00	1,332,486.21	3,225,016.58
Total revenues	357,514,640.23	55,659,038.38	36,660,970.74	263,471,507.66	38,459,267.46	7,786,241.26	55,364,322.10	607,034.88	139,524.23	7,119,139.62	3,565,670.66
Expenses:											
Salaries and wages	122,468,074.19	-	15,380,277.46	71,728,590.87	12,670,304.22	-	20,360,824.01	-	-	2,328,077.63	-
Employee benefits	30,659,850.65	458,664.79	5,366,572.09	18,577,243.29	2,798,682.27	-	3,697,682.96	-	-	678,334.83	-
Contract personnel	8,310,794.26	143,847.81	965,762.06	2,653,420.39	261,916.85	-	4,428,754.73	-	-	144,788.04	-
Professional services	20,189,007.62	45,219,873.06	3,620,930.09	46,248,700.92	5,013,381.67	975,374.91	8,426,067.41	261,472.05	61,327.57	510,089.73	291,536.33
General and administrative	8,068,452.69	226,674.14	4,124,329.18	2,108,223.24	181,875.57	369,460.65	1,209,978.16	5,265.57	4,960.93	202,329.48	88,704.05
Prov for depr and amort	18,046,556.28	-	1,195,394.18	9,275,284.49	4,487,135.32	2,174,905.78	869,639.92	-	-	44,196.59	-
Interest	7,118,408.20	7,415.18	31,310.86	3,850,803.78	3,093,263.46	111,998.33	38,446.95	-	-	-	-
Cost of goods sold	2,323,697.66	-	-	-	-	-	9,388.71	-	-	2,314,308.95	-
Contract services	18,603,319.04	1,539,492.15	3,068,389.07	9,485,512.59	2,228,837.79	1,114,225.13	3,979,966.89	-	-	265,879.72	-
Supplies	57,362,008.32	345,051.59	648,012.62	46,668,996.39	5,568,994.99	118,993.86	4,510,179.01	1,849.27	1,681.61	188,068.91	283.25
Utilities	2,499,047.89	-	4,347.35	1,250,392.75	351,909.50	720,299.87	160,492.12	-	-	11,606.30	-
Insurance	3,276,847.70	2,622,255.08	85,305.01	2,232,498.54	216,140.61	39,738.26	870,325.87	1,812.46	471.98	26,707.00	2,426,103.05
Rent	6,180,541.77	5,064,361.72	2,091,127.07	3,704,210.34	816,438.22	1,170,175.90	3,129,883.67	-	-	333,068.29	-
Provision for bad debts	45,691,868.31	-	(15,527.42)	34,902,195.50	8,701,258.81	4,142.24	2,100,625.28	-	-	(826.10)	-
Other	3,149,610.77	31,402.86	94,741.12	1,549,527.36	295,738.16	941,646.24	283,479.24	-	-	15,881.51	-
Total expenses	353,948,085.35	55,659,038.38	36,660,970.74	254,235,600.45	46,685,877.44	7,740,961.17	54,075,734.93	270,399.35	68,442.09	7,062,510.88	2,806,626.68
Income (loss) from operations	3,566,554.88	-	-	9,235,907.21	(8,226,609.98)	45,280.09	1,288,587.17	336,635.53	71,082.14	56,628.74	759,043.98
Nonoperating gains (losses):											
Realized gains - investments	5,420.88	-	(150,547.36)	-	-	-	-	108,119.64	(7,512.43)	-	55,361.03
Unrealized gains - investmen	(2,569,393.36)	-	(1,165,909.88)	-	-	-	-	(1,023,719.46)	(57,219.60)	-	(322,544.42)
Investment manager fees	(259,039.12)	-	(147,598.88)	-	-	-	-	(78,834.61)	(4,127.48)	-	(28,478.15)
Gain (loss) on sale of asset	472,049.43	-	-	6,506.12	-	-	465,543.31	-	-	-	-
Gain on invest in ptnerships	(169,849.70)	-	-	-	-	(152,526.20)	-	-	-	(17,323.50)	-
Net income before earns in sub	1,045,743.01	-	(1,464,056.12)	9,242,413.33	(8,226,609.98)	(107,246.11)	1,754,130.48	(657,798.90)	2,222.63	39,305.24	463,382.44
Equity in earns of subs	-	65,409.18	65,409.18	-	-	-	-	-	-	-	-
Minority interest	(2,444,389.95)	-	-	-	-	(67,821.91)	(2,364,473.76)	-	-	-	(12,094.28)
Excess (def) of rev over exp	(1,398,646.94)	65,409.18	(1,398,646.94)	9,242,413.33	(8,226,609.98)	(175,068.02)	(610,343.28)	(657,798.90)	2,222.63	39,305.24	451,288.16

Mary Washington Healthcare Obligated Group
Combining Balance Sheet
June 30, 2010

	Consolidated	Eliminations	Mary Washington Healthcare	Mary Washington Hospital, Inc.	Stafford Hospital, LLC	MediCorp Properties, Inc.	MWH Foundation, Inc.
Assets							
Current Assets:							
Cash and short-term invest	30,612,025.66	-	29,716,283.07	742,018.60	196,208.16	(55,386.53)	12,902.36
Accounts receivable:							
Patient accounts	68,546,752.67	-	-	59,418,459.33	9,130,193.14	(1,899.80)	-
Due from affiliates	8,397,594.62	-	12,008,977.81	12,565,298.92	(9,244,616.64)	1,270,105.59	(8,202,171.06)
Stlmnt due to 3rd parties	9,582,085.69	-	-	7,271,564.00	2,310,521.69	-	-
Other	914,705.69	-	331,623.19	431,246.74	(6,693.09)	102,195.93	56,332.92
Total accounts receivable	87,441,138.67	-	12,340,601.00	79,686,568.99	2,189,405.10	1,370,401.72	(8,145,838.14)
Notes receivable	500,000.00	-	-	-	-	500,000.00	-
Inventories	8,559,361.58	-	-	6,470,114.10	2,089,247.48	-	-
Prepaid expenses and other	8,618,817.98	-	5,256,746.47	2,225,056.92	883,388.66	254,588.22	(962.29)
Total current assets	135,731,343.89	-	47,313,630.54	89,123,758.61	5,358,249.40	2,069,603.41	(8,133,898.07)
Assets whose use is limited							
Int designated for capital	109,828,400.59	-	69,541,081.18	0.02	-	-	40,287,319.39
Ext restricted by donors	13,840,479.95	-	-	-	-	-	13,840,479.95
Ext restricted under bonds	6,286,701.81	-	-	6,286,701.81	-	-	-
AWUL-Gross	129,955,582.35	-	69,541,081.18	6,286,701.83	-	-	54,127,799.34
Net AWUL	129,955,582.35	-	69,541,081.18	6,286,701.83	-	-	54,127,799.34
Property, plant and equipment	330,192,956.99	-	8,676,558.38	107,189,944.42	138,476,062.03	75,850,392.16	-
Other assets:							
Notes receivable	4,232,541.21	210,586.02	210,586.02	4,033,681.01	-	198,860.20	-
Deferred financing costs	1,648,186.97	-	-	832,068.21	816,118.76	-	-
Miscellaneous	6,441,870.19	-	674,620.14	125,714.77	25,000.00	5,616,535.28	-
Equity in subsidiaries	22,202,086.65	153,408,469.88	175,610,556.53	-	-	-	-
Total assets	630,404,568.25	153,619,055.90	302,027,032.79	207,591,868.85	144,675,430.19	83,735,391.05	45,993,901.27
Liabilities and net assets							
Current liabilities:							
Accts payable & accr expense	16,223,373.66	-	6,839,879.75	8,203,474.38	1,230,879.91	(60,716.18)	9,855.80
Stlmnt due from 3rd parties	12,202,502.00	-	-	12,202,502.00	-	-	-
Employee comp and pro fees	27,324,026.98	-	12,381,618.89	13,119,435.95	1,822,972.14	-	-
Interest payable	568,260.55	-	-	298,079.45	270,181.10	-	-
Pension Liability-Current	5,000,000.00	-	5,000,000.00	-	-	-	-
Cur maturities of LT debt	7,371,703.67	130,670.72	-	6,582,236.18	297,310.60	622,827.61	-
Total current liabilities	68,689,866.86	130,670.72	24,221,498.64	40,405,727.96	3,621,343.75	562,111.43	9,855.80
LT obligations, less cur mat	279,719,023.88	79,915.30	-	146,152,803.58	131,236,310.60	2,409,825.00	-
Other liabilities:							
Accr Losses on Malpractice	3,335,618.52	-	-	3,335,618.52	-	-	-
Pension liability	24,749,542.89	-	24,749,542.89	-	-	-	-
Annuities Payable	49,474.07	-	-	-	-	-	49,474.07
Minority interest	805,050.77	-	-	-	-	805,050.77	-
Total liabilities	377,348,576.99	210,586.02	48,971,041.53	189,894,150.06	134,857,654.35	3,776,987.20	59,329.87

Net assts & stkhlders' equity							
Common stock	2,685,568.02	-	2,685,568.02	-	-	-	-
Retained-earnings (deficit)	256,290,882.38	-	96,050,967.65	168,799,040.94	(33,919,999.39)	12,177,079.94	13,183,793.24
Unrestricted net assets	(35,264,116.74)	139,567,989.93	124,975,797.99	(151,101,322.15)	43,737,775.23	67,781,323.91	18,910,298.21
Temp restricted net assets	12,584,979.12	12,582,269.91	12,584,979.12	-	-	-	12,582,269.91
Perm restricted net assets	1,258,210.04	1,258,210.04	1,258,210.04	-	-	-	1,258,210.04
Subscriber Account Balances	15,500,468.44	-	15,500,468.44	-	-	-	-
Total net assets	<u>253,055,991.26</u>	<u>153,408,469.88</u>	<u>253,055,991.26</u>	<u>17,697,718.79</u>	<u>9,817,775.84</u>	<u>79,958,403.85</u>	<u>45,934,571.40</u>
Total liabilities & net assets	<u>630,404,568.25</u>	<u>153,619,055.90</u>	<u>302,027,032.79</u>	<u>207,591,868.85</u>	<u>144,675,430.19</u>	<u>83,735,391.05</u>	<u>45,993,901.27</u>

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	Consolidated	Eliminations	Mary Washington Healthcare	Mary Washington Hospital, Inc.	Stafford Hospital, LLC	MediCorp Properties, Inc.	MWH Foundation, Inc.
Revenue and other support:							
Net patient service revenue	297,546,735.48	186,153.31	-	259,521,925.52	38,210,963.27	-	-
Billing and collection svcs	91,536.64	-	91,536.64	-	-	-	-
Rental of facilities	3,239,116.95	3,373,565.86	-	21,186.63	-	6,591,496.18	-
Mgmt and personnel services	2,762,221.81	32,668,547.72	35,234,449.72	-	-	196,319.81	-
Investment Income	1,225,963.10	7,415.18	769,171.43	22,470.48	999.16	11,111.65	429,625.56
Unrestricted contributions	186,425.47	-	7,076.00	56,595.88	-	-	122,753.59
Other	4,973,360.47	723,980.01	558,736.95	3,849,329.15	247,305.03	987,313.62	54,655.73
Total revenues	310,025,359.92	36,959,662.08	36,660,970.74	263,471,507.66	38,459,267.46	7,786,241.26	607,034.88
Expenses:							
Salaries and wages	99,779,172.55	-	15,380,277.46	71,728,590.87	12,670,304.22	-	-
Employee benefits	26,496,697.34	245,800.31	5,366,572.09	18,577,243.29	2,798,682.27	-	-
Contract personnel	3,881,099.30	-	965,762.06	2,653,420.39	261,916.85	-	-
Professional services	23,043,540.29	33,076,319.35	3,620,930.09	46,248,700.92	5,013,381.67	975,374.91	261,472.05
General and administrative	6,712,070.52	77,083.69	4,124,329.18	2,108,223.24	181,875.57	369,460.65	5,265.57
Prov for depr and amort	17,132,719.77	-	1,195,394.18	9,275,284.49	4,487,135.32	2,174,905.78	-
Interest	7,079,961.25	7,415.18	31,310.86	3,850,803.78	3,093,263.46	111,998.33	-
Contract services	15,866,333.58	30,631.00	3,068,389.07	9,485,512.59	2,228,837.79	1,114,225.13	-
Supplies	52,877,551.94	129,295.19	648,012.62	46,668,996.39	5,568,994.99	118,993.86	1,849.27
Utilities	2,326,949.47	-	4,347.35	1,250,392.75	351,909.50	720,299.87	-
Insurance	2,575,494.88	-	85,305.01	2,232,498.54	216,140.61	39,738.26	1,812.46
Rent	4,408,524.67	3,373,426.86	2,091,127.07	3,704,210.34	816,438.22	1,170,175.90	-
Provision for bad debts	43,592,069.13	-	(15,527.42)	34,902,195.50	8,701,258.81	4,142.24	-
Other	2,861,962.38	19,690.50	94,741.12	1,549,527.36	295,738.16	941,646.24	-
Total expenses	308,634,147.07	36,959,662.08	36,660,970.74	254,235,600.45	46,685,877.44	7,740,961.17	270,399.35
Income (loss) from operations	1,391,212.85	-	-	9,235,907.21	(8,226,609.98)	45,280.09	336,635.53
Nonoperating gains (losses):							
Realized gains - investments	(42,427.72)	-	(150,547.36)	-	-	-	108,119.64
Unrealized gains - investmen	(2,189,629.34)	-	(1,165,909.88)	-	-	-	(1,023,719.46)
Investment manager fees	(226,433.49)	-	(147,598.88)	-	-	-	(78,834.61)
Gain (loss) on sale of asset	6,506.12	-	-	6,506.12	-	-	-
Gain on invest in ptnerships	(152,526.20)	-	-	-	-	(152,526.20)	-
Net income before earns in sub	(1,213,297.78)	-	(1,464,056.12)	9,242,413.33	(8,226,609.98)	(107,246.11)	(657,798.90)
Equity in earns of subs	(117,527.25)	182,936.43	65,409.18	-	-	-	-
Minority interest	(67,821.91)	-	-	-	-	(67,821.91)	-
Excess (def) of rev over exp	(1,398,646.94)	182,936.43	(1,398,646.94)	9,242,413.33	(8,226,609.98)	(175,068.02)	(657,798.90)