

St. George Corporation and Palos Community Hospital (Obligated Group)

CONSOLIDATING STATEMENT OF OPERATIONS (Dollars in Thousands)

	SIX MONTHS ENDED JUNE 30, 2010				SIX MONTHS ENDED JUNE 30, 2009			
	Palos Community Hospital	St. George Corporation	Eliminations	Obligated Group	Palos Community Hospital	St. George Corporation	Eliminations	Obligated Group
REVENUES								
Net revenue from patient services	\$ 151,506	\$ -		\$ 151,506	\$ 147,835	\$ -		\$ 147,835
Illinois Provider Assessment Program revenue	\$ 3,600	\$ -		\$ 3,600	\$ 3,600	\$ -		\$ 3,600
Other revenue	\$ 2,336	\$ 375	\$ (44)	\$ 2,667	\$ 2,244	\$ 461	\$ (30)	\$ 2,675
Investment income	\$ 7,614	\$ 10,605		\$ 18,219	\$ 2,376	\$ 3,427		\$ 5,803
Total revenue	<u>\$ 165,056</u>	<u>\$ 10,980</u>	<u>\$ (44)</u>	<u>\$ 175,992</u>	<u>\$ 156,055</u>	<u>\$ 3,888</u>	<u>\$ (30)</u>	<u>\$ 159,913</u>
EXPENSES								
Salaries and employee benefits	\$ 98,463	\$ 17		\$ 98,480	\$ 96,407	\$ 44		\$ 96,451
Supplies and other	\$ 32,002	\$ 303	\$ (44)	\$ 32,261	\$ 32,100	\$ 179	\$ (30)	\$ 32,249
Provision for uncollectible accounts	\$ 6,863	\$ -		\$ 6,863	\$ 5,754	\$ -		\$ 5,754
Physicians' fees	\$ 892	\$ -		\$ 892	\$ 887	\$ -		\$ 887
Interest and financing costs	\$ 2,439	\$ -		\$ 2,439	\$ 1,816	\$ -		\$ 1,816
Depreciation and amortization	\$ 6,326	\$ 85		\$ 6,411	\$ 5,991	\$ 82		\$ 6,073
Insurance	\$ 870	\$ -		\$ 870	\$ 2,712	\$ -		\$ 2,712
Illinois Provider Assessment Program expense	\$ 3,954	\$ -		\$ 3,954	\$ 3,954	\$ -		\$ 3,954
Utilities	\$ 1,581	\$ 46		\$ 1,627	\$ 1,609	\$ 47		\$ 1,656
Total expenses	<u>\$ 153,390</u>	<u>\$ 451</u>	<u>\$ (44)</u>	<u>\$ 153,797</u>	<u>\$ 151,230</u>	<u>\$ 352</u>	<u>\$ (30)</u>	<u>\$ 151,552</u>
OPERATING INCOME	<u>\$ 11,666</u>	<u>\$ 10,529</u>	<u>\$ -</u>	<u>\$ 22,195</u>	<u>\$ 4,825</u>	<u>\$ 3,536</u>	<u>\$ -</u>	<u>\$ 8,361</u>
NON-OPERATING INCOME:								
Unrestricted contributions	\$ 338			\$ 338	\$ 470			\$ 470
Total non-operating income	<u>\$ 338</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 338</u>	<u>\$ 470</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 470</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 12,004</u>	<u>\$ 10,529</u>	<u>\$ -</u>	<u>\$ 22,533</u>	<u>\$ 5,295</u>	<u>\$ 3,536</u>	<u>\$ -</u>	<u>\$ 8,831</u>
UNREALIZED GAIN/LOSS	<u>\$ (10,240)</u>	<u>\$ (15,860)</u>		<u>\$ (26,100)</u>	<u>\$ 13,270</u>	<u>\$ 20,839</u>		<u>\$ 34,109</u>

St. George Corporation and Palos Community Hospital (Obligated Group)

CONSOLIDATING BALANCE SHEET (Dollars in Thousands)

	AS OF JUNE 30, 2010				AS OF JUNE 30, 2009			
	Palos Community Hospital	St. George Corporation	Eliminations	Obligated Group	Palos Community Hospital	St. George Corporation	Eliminations	Obligated Group
ASSETS								
CURRENT ASSETS								
Cash and equivalents	\$ 18,782	\$ 305		\$ 19,087	\$ 9,112	\$ 972		\$ 10,084
Investments	\$ 21,664	\$ 380,108		\$ 401,772	\$ 25,145	\$ 339,826		\$ 364,971
Accounts receivable less allowances	\$ 31,674	\$ -		\$ 31,674	\$ 26,225	\$ -		\$ 26,225
Current portion of assets limited as to use	\$ 2,000			\$ 2,000	\$ 2,000	\$ -		\$ 2,000
Inventories, at cost	\$ 1,290	\$ -		\$ 1,290	\$ 1,310	\$ -		\$ 1,310
Collateral Received for Securities Loaned	\$ 29,900	\$ 46,600		\$ 76,500	\$ 18,700	\$ 29,100		\$ 47,800
Other current assets	\$ 4,635	\$ 3	\$ -	\$ 4,638	\$ 3,630	\$ 466	\$ (2)	\$ 4,094
Total current assets	\$ 109,945	\$ 427,016	\$ -	\$ 536,961	\$ 86,122	\$ 370,364	\$ (2)	\$ 456,484
ASSETS LIMITED AS TO USE:								
Trusteed Bond Funds	\$ 138,788	\$ -		\$ 138,788	\$ 40,113	\$ -		\$ 40,113
Investments internally designated for capital purposes	\$ 208,337	\$ -		\$ 208,337	\$ 183,775	\$ -		\$ 183,775
Self-Insurance trust investments	\$ 28,181	\$ -		\$ 28,181	\$ 24,547	\$ -		\$ 24,547
Total assets limited as to use	\$ 375,306	\$ -	\$ -	\$ 375,306	\$ 248,435	\$ -	\$ -	\$ 248,435
PROPERTY AND EQUIPMENT - At Cost								
Land and land improvements	\$ 13,737	\$ 1,121		\$ 14,858	\$ 8,804	\$ 1,121		\$ 9,925
Building	\$ 140,766	\$ 4,215		\$ 144,981	\$ 137,609	\$ 4,099		\$ 141,708
Equipment	\$ 136,271			\$ 136,271	\$ 129,779			\$ 129,779
Construction in progress	\$ 65,487			\$ 65,487	\$ 19,856			\$ 19,856
Less accumulated depreciation	\$ (201,547)	\$ (577)		\$ (202,124)	\$ (189,760)	\$ (408)		\$ (190,168)
Total property and equipment	\$ 154,714	\$ 4,759	\$ -	\$ 159,473	\$ 106,288	\$ 4,812	\$ -	\$ 111,100
OTHER ASSETS	\$ 7,976	\$ 6,387	\$ (47)	\$ 14,316	\$ 4,833	\$ 684		\$ 5,517
TOTAL ASSETS	\$ 647,941	\$ 438,162	\$ (47)	\$ 1,086,056	\$ 445,678	\$ 375,860	\$ (2)	\$ 821,536
LIABILITIES AND NET ASSETS								
CURRENT LIABILITIES:								
Accounts payable	\$ 4,456	\$ -	\$ -	\$ 4,456	\$ 7,980	\$ 3	\$ (2)	\$ 7,981
Accrued liabilities and other	\$ 28,604	\$ 578		\$ 29,182	\$ 27,013	\$ 483		\$ 27,496
Obligation for Collateral Received for Securities Loaned	\$ 29,900	\$ 46,600		\$ 76,500	\$ 18,700	\$ 29,100		\$ 47,800
Due to third-party payors	\$ 37,172			\$ 37,172	\$ 35,018	\$ -		\$ 35,018
Current portion of professional liability	\$ 2,000	\$ -		\$ 2,000	\$ 2,000	\$ -		\$ 2,000
Total current liabilities	\$ 102,132	\$ 47,178	\$ -	\$ 149,310	\$ 90,711	\$ 29,586	\$ (2)	\$ 120,295
LONG TERM LIABILITIES:								
Professional liability less current portion	\$ 43,453	\$ -		\$ 43,453	\$ 46,429	\$ -		\$ 46,429
Long-term debt	\$ 275,930	\$ -		\$ 275,930	\$ 124,572	\$ -		\$ 124,572
Other long-term liabilities	\$ 7,215	\$ 41	\$ (47)	\$ 7,209	\$ 6,521	\$ -		\$ 6,521
Total long term liabilities	\$ 326,598	\$ 41	\$ (47)	\$ 326,592	\$ 177,522	\$ -	\$ -	\$ 177,522
TOTAL LIABILITIES	\$ 428,730	\$ 47,219	\$ (47)	\$ 475,902	\$ 268,233	\$ 29,586	\$ (2)	\$ 297,817
UNRESTRICTED NET ASSETS	\$ 219,211	\$ 390,943		\$ 610,154	\$ 177,445	\$ 346,274		\$ 523,719
TOTAL	\$ 647,941	\$ 438,162	\$ (47)	\$ 1,086,056	\$ 445,678	\$ 375,860	\$ (2)	\$ 821,536