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Form **990**

Department of the Treasury Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

► The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047
2011

Open to Public

Inspection A For the 2011 calendar year, or tax year beginning 01-01-2011 and ending 12-31-2011 D Employer identification number **B** Check if applicable St Mary Medical Center Address change 23-1913910 Doing Business As E Telephone number Name change (215)710-2000 Initial return Number and street (or P O box if mail is not delivered to street address) Room/suite **G** Gross receipts \$ 420,728,915 1201 Langhorne-Newtown Road Terminated Amended return City or town, state or country, and ZIP $+\ 4$ Langhorne, PA 190470000 Application pending F Name and address of principal officer H(a) Is this a group return for Greg Wozniak ┌ Yes ┌ No affiliates? 1201 Langhorne-Newtown Road Langhorne, PA 190470000 ┌ Yes ┌ No H(b) Are all affiliates included? If "No," attach a list (see instructions) Tax-exempt status **H(c)** Group exemption number ► 0928 Website: ► www.stmaryhealthcare.org K Form of organization ✓ Corporation ☐ Trust ☐ Association ☐ Other ► L Year of formation 1974 M State of legal domicile PA Part I Summary 1 Briefly describe the organization's mission or most significant activities St Mary Medical Center ("SMMC"), one of the region's leading healthcare providers, has clearly defined its vision to serve the needs of those who entrust their lives to us, cherishing the whole person physically, emotionally, and spiritually, with special commitment for the poor and underserved As a not-for-profit organization, we take great pride in our commitment to reinvest our Activities & Governance resources for the benefit of the community and to provide those less fortunate free access to medical care and other supportive services that can improve their health and empower them to become independent and self sufficient 2 Check this box 🔭 if the organization discontinued its operations or disposed of more than 25% of its net assets 3 Number of voting members of the governing body (Part VI, line 1a) . . . 4 Number of independent voting members of the governing body (Part VI, line 1b) . . . 12 3,202 5 Total number of individuals employed in calendar year 2011 (Part V, line 2a) . . . 5 **6** Total number of volunteers (estimate if necessary) 6 1,173 **7a** Total unrelated business revenue from Part VIII, column (C), line 12 . . 7a 330,646 **b** Net unrelated business taxable income from Form 990-T, line 34 . . . **7**b 0 **Prior Year Current Year** 0 0 390,087,799 413,078,675 Program service revenue (Part VIII, line 2g) 10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) . 2,121,197 2,381,911 4,900,546 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) 5,268,329 11 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12 397,109,542 420,728,915 902,185 1,124,414 Grants and similar amounts paid (Part IX, column (A), lines 1-3) . . . 14 Benefits paid to or for members (Part IX, column (A), line 4) . . Salaries, other compensation, employee benefits (Part IX, column (A), lines 15 Expenses 163,605,834 171,901,031 Professional fundraising fees (Part IX, column (A), line 11e) 16a 0 b Total fundraising expenses (Part IX, column (D), line 25) $\blacktriangleright 0$ 199,453,119 **17** Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) 183,891,953 18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25) 348,399,972 372,478,564 19 Revenue less expenses Subtract line 18 from line 12 . 48,709,570 48,250,351 (Assets or ed Balances **Beginning of Current End of Year** 20 Total assets (Part X, line 16) 458,374,924 520,966,740 21 222,642,986 Total liabilities (Part X, line 26) 205,338,139 Net assets or fund balances Subtract line 21 from line 20 . . 22 253,036,785 298,323,754 Signature Block Under penalties of perjury. I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any ***** 2012-11-09 Date Signature of officer Sign Here Greg Wozniak CEO Type or print name and title Date Check If Preparer's taxpayer identification number Preparer's (see instructions) Pamela L Heist sıgnature Paid employed F P00294236 Preparer's Firm's name (or yours Deloitte Tax LLP FIN ▶ 86-1065772 ıf self-employed), **Use Only** address, and ZIP + 4 1700 Market Street 25th Floor

Philadelphia, PA 191033984

May the IRS discuss this return with the preparer shown above? (see instructions) .

Phone no 🕨 (215) 246-2300

Par	t III				lishments uestion in this Part II	I		৮
1	Brief	ly describe the orgar	nization's mission					
		edical Center, a mem ing the healing minis		ealth East ("C	HE") is a community	of caring people c	ommitted to ext	ending and
2	the p	rıor Form 990 or 990)-EZ?		ervices during the yea		isted on	∕es ✓ No
_		es," describe these no						
3	servi	ces?			nt changes in how it c · · · · · ·	onducts, any prog		Yes 🔽 No
4		es," describe these c						
4	expe	nses Section 501(c)	(3) and 501(c)(4) organization	nents for each of its t s and section 4947(a revenue, if any, for ea)(1) trusts are red	uired to report t	
4a	(Cod	e) (Expenses \$	317,753,536	ıncludıng grants of \$	1,124,414)	(Revenue \$	413,885,602)
	techridiagri Brea: Mary emoi assis care) dona Insur confii unde provi class incor progi clinic who cente reche mem prodi childi	nology, including a companostic capabilities, obsternst Center In 2011, we can Medical Center has clear tronally, and spiritually, we tance, and a wide range of for the uninsured and ur trons to other worthy non rance Program ("CHIP") dential risk screenings for insured women In 2011 ded services to over 3,11 des, wellness programs, pane children with primary arams, and health fairs. That breast examinations ar wish to make better lifester which offers a full range and rebalance their lighters. Finally, SMMC provuctive and fulfilling lives thood obesity through the	ehensive cardiovascul ics, exceptional surgic ed for 23,824 inpatiei ly defined its vision to ith special commitme of community service iderinsured, but also o iprofit organizations. S The Mother Bachman postpartum depressic , 403 babies were bo 1 community membe arenting programs, ar and preventive health le St Mary Breast Hea d 394 screening man tyle choices, SMMC of e of outpatient preventives and a health scie lides a parenting resour Che parenting resour The parenting resour Families Living Well F	lar program, the cal services, includints, 68,891 emero or serve the needs on for the poor all significant signifi	ding orthopedic joint replace gency patients and 280,476 of those who entrust the ind underserved. The organization and screenings, welling minimum ty members with a foffers parental care and call domestic violence evaluate Mother Bachman Mated de English as a second langishelter program (37 familiotal of 19,637 community is launched to help uninsured cost to women who qualified and resources they need the offers assistance in finding supports area families in a variety of programs to	ma Center in Bucks Co- terment and rehab, and 3 outpatients. As one r lives to the organiza- nization invests in com- only uncompensated r- ess and health promo- issistance in applying di- lelivery, breast-feed in ations and resource re- trinty Center at St. Mai uage, GED preparation les). The St. Mary's Ci- members took part in dd, low income women y for the program. For to reach their goals Re- polistic center which hel- ing consumer health ind developing the skills the meet the organization benefits of good nutriti-	nunty, a Primary Strict the St. Mary Region of the region's lead ton, cherishing the munity benefit, provinced care and fination programs, charior medical assistant of education, nutrition of the St. Mary Farn, counseling and candere's Health Central St. Mary's health so age 40 and older people coping with sources include nutros individuals living ormation for patientey need for their cless goals including additionant the sources including additional sources in additional so	oke Care Center, specialized onal Cancer Center and ing healthcare providers, St whole person, physically, riding charity care, financial assistance (charity table gifts, and in-kind ce for the Children's Health and risk evaluations, ine, uninsured, or mily Resource Center se management, citizenship ter provided 2,900 low creenings, education St Mary provided 433 a chronic disease or those with chronic diseases tist, families and community mildren to enjoy useful,
4b	(Cod	e) (Expenses \$		ıncludıng grants of \$) (Revenue \$)
4 c	(Cod	e) (Expenses \$		including grants of \$) (Revenue \$)
	_							
4d		er program services penses \$	•	edule O) udıng grants o	of\$) (Revenue \$)
	Tota	al program service ex		317,753,53		<u>. </u>		

CHECKIIST OF REGULE CO SCHEDULE	art IV	Checklist o	f Required	Schedule
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			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes,"</i> complete Schedule A	1	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?	2		No
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3		No
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If</i> "Yes," complete Schedule C, Part II	4		No
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II	7		Νο
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V	10		No
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
а	Did the organization report an amount for land, buildings, and equipment in Part X, line10? If "Yes," complete Schedule D, Part VI.	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII.	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII.	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX.	11d	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X.	11f		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If</i> "Yes," complete Schedule D, Parts XI, XII, and XIII	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Part I	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S? If "Yes," complete Schedule F, Part II and IV.	15		No
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S ? If "Yes," complete Schedule F, Part III and IV	16		No
17	Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If</i> " <i>Yes," complete Schedule G, Part I</i>	17		No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18		No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19		No
20a	Did the organization operate one or more hospitals? If "Yes," complete Schedule H	20a	Yes	
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. All Form 990 filers that operated one or more hospitals must attach audited financial statements	20b	Yes	

Par	t IV Checklist of Required Schedules (continued)			
21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II $\textcircled{5}$	21	Yes	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to line 25	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
С	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? If "Yes," complete Schedule L, Part III	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
а	A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28b		No
С	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? If "Yes," complete Schedule L, Part IV .	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? If "Yes," complete Schedule R, Part I	33		No
34	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1	34	Yes	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	35a	Yes	
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2	35b	Yes	
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	
		F	orm 990	(2011)

Part V Statements Regarding Other IRS Filings and Tax Compliance

	Check if Schedule O contains a response to any question in this Part V	•	-1	
			Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0 - if not applicable			
	1a 378			
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable 1b			
_	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable			
	gaming (gambling) winnings to prize winners?	1c	Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax			
	Statements filed for the calendar year ending with or within the year covered by this return			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			
_		2b	Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)			
3a	Did the organization have unrelated business gross income of \$1,000 or more during the		v	
L	year?	3a	Yes	
	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities			
	account)?	4a		No
b	If "Yes," enter the name of the foreign country 🕨			
	See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts			
- -	We a the annual material and a supply to a supply to the day of alternative and a supply to the day of a supply to the supply to the day of a supply to the day of a supply to the day	F-		NI a
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		No No
	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		N o
C	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the	6a		N o
	organization solicit any contributions that were not tax deductible?			
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts	. .		
_	were not tax deductible?	6b		
7	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and	7a		No
a	services provided to the payor?	/a		NO
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to	_		
	file Form 8282?	7 c		N o
đ	If "Yes," indicate the number of Forms 8282 filed during the year			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit			
	contract?	7e		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		N o
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a			
	Form 1098-C?	7h		
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess			
	business holdings at any time during the year?	8		
9	Sponsoring organizations maintaining donor advised funds.			
a	Did the organization make any taxable distributions under section 4966?	9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b		
10	Section 501(c)(7) organizations. Enter			
	Initiation fees and capital contributions included on Part VIII, line 12 10a			
	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club			
	facilities			
11				
а	Gross income from members or shareholders			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)			
	, , , , , , , , , , , , , , , , , , , ,			
	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the			
13	year			
	Is the organization licensed to issue qualified health plans in more than one state?			
-	Note. All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue			
	qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state	13a		
b	Enter the aggregate amount of reserves the organization is required to maintain by			
	the states in which the organization is licensed to issue qualified health plans			
C	Enter the aggregate amount of reserves on hand			
ح14ء	Did the organization receive any payments for indoor tanning services during the tax year?	14a		No
	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14a		140
	1 11, mad it mod a form file to report these payments. If mo, provide an explanation in schedule of the terms	_ ,_		i e

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI

Se	ction A. Governing Body and Management						
			Yes	No			
1a	Enter the number of voting members of the governing body at the end of the tax						
L	year						
D	Enter the number of voting members included in line 1a, above, who are independent						
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		No			
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	3		No			
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		No			
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	5		No			
6	Did the organization have members or stockholders?	6	Yes				
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	Yes				
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	Yes				
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following						
а	The governing body?	8a	Yes				
b	Each committee with authority to act on behalf of the governing body?	8b	Yes				
9	,						
	organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9		Νo			
	ection B. Policies (This Section B requests information about policies not required by the Internal evenue Code.)						
IXC	venue coue.)		Yes	No			
10a	Did the organization have local chapters, branches, or affiliates?	10a		No			
	If "Yes," did the organization have written policies and procedures governing the activities of such chapters,						
	affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b					
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes				
b	Describe in Schedule O the process, if any, used by the organization to review the Form 990						
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	12a	Yes				
b	Were officers, directors or trustees, and key employees required to disclose annually interests that could give						
	rise to conflicts?	12b	Yes				
C	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	Yes				
13	Did the organization have a written whistleblower policy?	13	Yes				
14	Did the organization have a written document retention and destruction policy?	14	Yes				
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?						
а	The organization's CEO, Executive Director, or top management official	15a	Yes				
b	Other officers or key employees of the organization	15b	Yes				
	If "Yes," to line 15a or 15b, describe the process in Schedule O (see instructions)						
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a						
L	taxable entity during the year?	16a	Yes				
D	participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		v				
		16b	Yes				
	ection C. Disclosure List the States with which a copy of this Form 990 is required to be filed▶PA						
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)						

(3)s only) available for public inspection. Indicate how you made these available. Check all that apply

Own website Another's website V Upon request

- Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public See Additional Data Table
- State the name, physical address, and telephone number of the person who possesses the books and records of the organization 🕨 20 Sharon Profera

1201 Langhorne-Newtown Road Langhorne, PA 19047

Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

- ◆ List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's current key employees, if any See instructions for definition of "key employee"
- ♦ List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations
- ◆ List all of the organization's **former** officers, key employees, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations

Check this box if neither the organization nor any related organizations compensated any current or former officer, director, or trustee

◆ List all of the organization's former directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

(A) Name and Title	(B) A verage hours per week (describe hours	unles an	on (d e thar	n one son er ar	e boo is bo nd a stee)	x, oth		(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-	(F) Estimated amount of other compensation from the organization and
	for related organizations in Schedule O)	Individual trustee or director	Institutional Trustee	Officei	Key employee	Highest compensated employee	Former		MISC)	related organizations
(1) Greg Wozniak President and CEO	40 00	х		Х				696,682	0	41,340
(2) Louis DiFranco Director	2 00	х						0	0	0
(3) Nadine Fischer Vice Chairperson	2 00	х						0	0	0
(4) Frank Guarrieri Chairperson	2 00	х						0	0	0
(5) Robert Field Assistant Treasurer	2 00	х						0	0	0
(6) Vernon Bramble Director	2 00	Х						0	0	0
(7) Aldo Ciccotelli MD Director	2 00	Х						0	0	0
(8) Monsignor Michael Picard Director	2 00	Х						0	0	0
(9) Sr Marie Cecilia Irwin Director	2 00	Х						0	0	0
(10) Monsignor John Marine Director	2 00	х						0	0	0
(11) Michele Fitzpatrick Director	2 00	х						0	0	0
(12) Diedre Walsh MD Director	2 00	х						0	0	0
(13) Joseph Monagle Director	2 00	х						0	0	0
(14) Gaıl Kosyla CFO/Treasurer	40 00			Х				361,757	0	59,252
(15) Catherine Mikus Secretary	32 00			Х				0	151,200	18,983
(16) Joseph Conroy MD Vice President	40 00				х			300,909	0	56,950
(17) Mark Nessel Senior Vice President	40 00				х			290,776	0	50,105

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and Title	(B) A verage hours per week (describe hours for related organizations in Schedule O)	unles: an	on (d e thai	n one son er ai	e bo: is bo nd a stee)	X the Highest compensation	Former	(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
(18) Audrey Jadczak	40 00				х	<u> </u>		270,593	0	40,950
Chief Nurse Executive (19) Marian Moran	40 00					X		229,094	0	36,268
Vice President (20) Mary Sweeney	40 00					X		227,792	0	36,653
Vice President (21) Suzanne Monte Vice President	40 00					Х		226,303	0	<u> </u>
(22) Sharon Hopkins Administrator	40 00					х		226,027	0	23,814
(23) Terri Rivera Vice President	40 00					х		198,070	0	50,227
(24) Patrick Knaus Former Senior Vice President	0 00						х	241,880	0	9,988
1b Sub-Total		<u> </u>	<u> </u>	<u> </u>	<u> </u>		<u> </u> ►			
c Total from continuation sheets t				<u> </u>			►			
							F	3,269,883	151,200	464,585
Total number of individuals (inclu \$100,000 of reportable compens						above) who	received more tha	n	

			Yes	No
3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If</i> " <i>Yes,"</i> complete <i>Schedule J for such individual</i>	3	Yes	
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual	4	Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person	5	165	No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year

(A)	(B)	(C)
Name and business address	Description of services	Compensation
Sodexo Inc PO Box 81049 Woburn, MA 01813	Management Services	4,031,812
Radiology Affiliates 3625 Quakerbridge Road Hamilton, NJ 08619	Medical Services	3,836,775
Middletown Anesthesia Group CO St Mary 1201 Newtown-Langhorne Road Langhorne, PA 19047	Medical Services	3,318,999
Beacon Fey 1107 kenilworth Drive Suite 307 Baltimore, MD 21204	Advertising	3,167,569
Francis Cauffman Architects 2120 Arch Street Philadelphia, PA 19103	Professional and Contract Services	1,361,312
2 Total number of independent contractors (including but not limited to those listed above)	who received more than	

Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ►53

Form 9							Page 9
Part	/1111	Statement of Revenue		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512,513,or 514
\$ £	1a	Federated campaigns 1a	ı				
Contributions, gifts, grants and other similar amounts	ь	Membership dues 1b	•				
s, g	c	Fundraising events 10	:				
#£ a	d	Related organizations 1d					
ું.≣	e	Government grants (contributions) 1e					
i Sign	f	All other contributions, gifts, grants, and 1f		İ			
호	g	similar amounts not included above Noncash contributions included in					
달		lines 1a-1f \$					
ည်မှ	h	Total. Add lines 1a-1f	▶				
			Business Code				
Program Service Revenue	2a	IP & OP Medical Servic	622110	411,419,668	411,419,668		
Se Se	ь	Other Program Service	622110	1,659,007	1,659,007		
ě.	c						
ř	d						
ă	e						
眶	f	All other program service revenue					
្តិ		-					
	g	Total. Add lines 2a-2f		413,078,675			
	3	Investment income (including divider		2,381,911			2,381,911
	4	and other similar amounts) Income from investment of tax-exempt bond	<u>-</u>	2,301,311			2,301,311
	5	Royalties	· · · · · · · · · · · · · · · · · · ·				
		(ı) Real	(II) Personal				
	6a	Gross rents	(,				
	ь	Less rental					
	_c	expenses Rental income					
		or (loss) Net rental income or (loss)	▶				
	d	(i) Securities	(II) Other				
	7a b	Gross amount from sales of assets other than inventory Less cost or	(ii) o circi				
		other basis and sales expenses					
	C	Gain or (loss)	<u> </u>				
	d	Net gain or (loss)	▶				
Other Revenue	8a	Gross income from fundraising events (not including \$ of contributions reported on line 1c) See Part IV, line 18					
Œ		a					
the	ь	Less direct expenses b					
õ	c	Net income or (loss) from fundraising	events				
	9a	Gross income from gaming activities See Part IV, line 19					
	b	Less direct expenses b					
	10a	Net income or (loss) from gaming act Gross sales of inventory, less returns and allowances .					
	b	Less cost of goods sold b Net income or (loss) from sales of inv	rentory				
		Miscellaneous Revenue	Business Code				
	11a	Cafeteria & Vending in	624210	2,520,330			2,520,330
	ь	Pharmacy Revenue	621500	1,137,573	806,927	330,646	
	c	Tobacco Settlement	541100	322,269			322,269
	d	All other revenue		1,288,157			1,288,157
	e	Total. Add lines 11a-11d		5,268,329			
	12	Total revenue. See Instructions .		420,728,915	413,885,602	330,646	6,512,667

25

Form 990 (2011) Page **10** Part IX Statement of Functional Expenses Section 501(c)(3) and 501(c)(4) organizations must complete all columns All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D) Check if Schedule O contains a response to any question in this Part IX (B) (C) (D) Do not include amounts reported on lines 6b, (A) Fundraising Program service Management and Total expenses 7b, 8b, 9b, and 10b of Part VIII. expenses general expenses expenses Grants and other assistance to governments and organizations in the United States See Part IV, line 21 1,124,414 1,124,414 Grants and other assistance to individuals in the United States See Part IV, line 22 3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16 Benefits paid to or for members 5 Compensation of current officers, directors, trustees, and 2,339,497 1,941,783 397,714 key employees . . . Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . 7 Other salaries and wages 142,351,063 118,151,382 24,199,681 Pension plan contributions (include section 401(k) and section 3,941,112 403(b) employer contributions) 3,271,123 669,989 12,900,614 10,707,510 2,193,104 Other employee benefits 10,368,745 8,606,058 1,762,687 10 Fees for services (non-employees) 11 Management 8,977,269 8,977,269 489,633 489,633 Legal Accounting Lobbying Professional fundraising See Part IV, line 17 . . Investment management fees 5,737,291 5,737,291 g 3,884,016 Advertising and promotion . . . 3,223,733 660,283 12 Office expenses 478,917 13 397,501 81,416 715,476 593,845 14 Information technology 121,631 15 Royalties . . 16 3,652,578 3,031,640 620,938 514,722 427,219 87,503 17 Payments of travel or entertainment expenses for any federal, 18 state, or local public officials 19 Conferences, conventions, and meetings 2,469,294 2,049,514 419.780 20 21 Payments to affiliates 22 Depreciation, depletion, and amortization 16,617,027 13,792,132 2,824,895 23 4,322,372 3,587,569 734,803 24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O) Medical Supplies & Drug 64,653,380 0 0 64,653,380

SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a

Part X **Balance Sheet** (A) (B) Beginning of year End of year Cash—non-interest-bearing 1 1 117.826.948 125.965.401 2 2 3 3 39.239.726 38.975.507 4 5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L 5 6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of 6 Schedule L 7 7.186.067 8 7.042.634 9 1.083.356 1.852.423 Prepaid expenses and deferred charges 262,884,258 Land, buildings, and equipment cost or other basis *Complete* 10a Part VI of Schedule D 10a 10b 91,273,657 b Less accumulated depreciation 153,004,210 **10c** 171,610,601 88,197,958 11 80,853,270 11 12 12 Investments—other securities See Part IV, line 11 13 4,652,580 13 5,020,292 Investments—program-related See Part IV, line 11 . . 14 14 Intangible assets 47,184,079 15 89,646,612 15 458,374,924 520,966,740 16 Total assets. Add lines 1 through 15 (must equal line 34) . . . 16 26,720,391 17 22,008,053 17 Accounts payable and accrued expenses . 18 18 19 19 20 137.798.580 20 135,166,516 21 21 Escrow or custodial account liability Complete Part IV of Schedule D . . Liabilities 22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L \ldots . \ldots . \ldots 22 23 Secured mortgages and notes payable to unrelated third parties . . . 23 24 Unsecured notes and loans payable to unrelated third parties 24 25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule 40,819,168 25 65,468,417 D 26 205,338,139 26 222,642,986 **Total liabilities.** Add lines 17 through 25 Organizations that follow SFAS 117, check here ▶ 🔽 and complete lines 27 Balances through 29, and lines 33 and 34. 27 253,036,785 27 298,323,754 Unrestricted net assets 28 28 Temporarily restricted net assets Fund 29 29 Permanently restricted net assets Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34. ö 30 Capital stock or trust principal, or current funds 30 Assets 31 31 Paid-in or capital surplus, or land, building or equipment fund 32 32 Retained earnings, endowment, accumulated income, or other funds ž 33 Total net assets or fund balances 253.036.785 33 298.323.754 34 Total liabilities and net assets/fund balances 458.374.924 34 520,966,740

1.6	Check if Schedule O contains a response to any question in this Part XI	•		. [
1	Total revenue (must equal Part VIII, column (A), line 12)	1		420,7	728,91
2	Total expenses (must equal Part IX, column (A), line 25)	2		372,4	178,564
3	Revenue less expenses Subtract line 2 from line 1	3		48,2	250,35
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4		253,0	36,785
5	Other changes in net assets or fund balances (explain in Schedule O)	5		-2,9	963,382
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6		298,3	323,754
Pai	The triangle of tr			৮	
				Yes	No
1	Accounting method used to prepare the Form 990				
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? \cdot .		2a		No
b	Were the organization's financial statements audited by an independent accountant?		2b		No
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain its Schedule O		2 c		
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were on a separate basis, consolidated basis, or both	issued			
	Separate basis Consolidated basis Both consolidated and separated basis				
За	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	ie	За		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	required	3b		

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As Filed Data -

DLN: 93493320018052

OMB No 1545-0047

2011

Open to Public Inspection

SCHEDULE A

(Form 990 or 990EZ)

Name of the organization

Department of the Treasury Internal Revenue Service

St Mary Medical Center

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

Public Charity Status and Public Support

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

Employer identification number

									23-1913		
	rt I			blic Charity Sta						nstructions	
he d	organız	zation is	not a privat	te foundation becaus	eitis (Forl	ınes 1 throu	ıgh 11, check	k only one bo	x)		
1	Γ	A churc	ch, conventi	ion of churches, or as	ssociation of	churches s	section 170(b)(1)(A)(i).			
2	\sqcap	A scho	ol described	d in section 170(b)(1	.)(A)(ii). (At	tach Schedi	ule E)				
3	굣	A hosp	ıtal or a coo	perative hospital se	rvice organiz	atıon descr	ıbed ın sectio	n 170(b)(1)	(A)(iii).		
4	Γ	A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state									
5	Γ	An organization operated for the benefit of a college or university owned or operated by a governmental unit described in									
		section 170(b)(1)(A)(iv). (Complete Part II)									
6	Γ	A feder	al, state, or	· local government or	government	al unit desc	rıbed ın sect i	ion 170(b)(1)(A)(v).		
7	Γ	describ	ed in	at normally receives (A)(vi) (Complete P		al part of its	support from	a governme	ntal unit or i	rom the gene	ral public
8	_			: described in sectior	•	Al(vi) (Con	nnloto Part II	r \			
9	<u>'</u>								outions mor	nharchin faac	and groce
.0	, 	An organization that normally receives (1) more than 331/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 331/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2). (Complete Part III) An organization organized and operated exclusively to test for public safety Seesection 509(a)(4). An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of									
e	Г	one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h a									
_		section	509(a)(2)								
f			:his box	received a written de	etermination	nom the 1K	S tilat it is a	Type I, Type	e II or rype	III Supportin	
g		followin	g persons?					-			
				rectly or indirectly c			_	persons des	cribed in (ii,		Yes No
				governing body of th			ation			11g(
		` '	•	er of a person descri	` '		h 2			11g(
				lled entity of a perso						11g(<u>) </u>
h		Provide	the following	ng information about	the supporte	ed organizat	ion(s)				
	(i) Name suppor rganıza	ted	of (ii) (described on col (i) listed in your governing tion or IRC section document?		(v) Did you not organizat col (i) of suppor	ion in your	(vi Is th organiza col (i) org in the U	ne tion in ganized	(vii) A mount of support?		
				(see instructions))	Yes	No	Yes No		Yes	No	1
										1	
						1				1	

Total

instructions

Sch	edule A (Form 990 or 99	90-EZ)2011						Page 2
	(Complet	e only if you	checked the	box on line 5,	7, or 8 of Part	(b)(1)(A)(iv) I or if the orgar	nızatıon faıle	d to qualify
			<u>organızatıon f</u>	fails to qualify ι	<u>under the tests</u>	listed below, pl	<u>lease comple</u>	ete Part III.)
	ection A. Public Su			1		Т	1	
Cal	endar year (or fiscal ye in)	ar beginning	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1	Gifts, grants, contribut	ions, and						
	membership fees recei							
	ınclude any "unusual							
_	grants ") Tax revenues levied fo	rtho						
2	organization's benefit a							
	paid to or expended on							
	behalf							
3	The value of services of							
	furnished by a governme the organization withou							
4	Total. Add lines 1 thro	_						
5	The portion of total cor	-						
-	by each person (other	than a						
	governmental unit or p	•						
	supported organization line 1 that exceeds 2%							
	amount shown on line 1							
	(f)	21,0014						
6	Public Support. Subtractine 4	ct line 5 from						
S	ection B. Total Sup	port						
Cal	endar year (or fiscal yea	r beginning	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
_	ın)	_	(4) 2007	(2) 2000	(4) 2005	(4) 2020	(0) 2022	(1) 1 3 4 4
7 8	A mounts from line 4 Gross income from inte	rost –						
0	dividends, payments re							
	securities loans, rents							
	and income from simila	ır						
_	sources							
9	Net income from unrela business activities, wh							
	not the business is reg							
	carried on							
10	Other income (Explain							
	IV) Do not include gai from the sale of capital							
11	Total support (Add line							
	through 10)							
12	Gross receipts from re	lated activities	s, etc (See inst	ructions)			12	
13	First Five Years If the		r the organizati	on's first, second	l, thırd, fourth, or	fıfth tax year as a	501(c)(3) or	
	check this box and sto	p here						▶ □
S	ection C. Computat	ion of Publ	ic Support F	Percentage				
14	Public Support Percen	tage for 2011	(line 6 column	(f) dıvıded by lıne	11 column (f))		14	
15	Public Support Percen	tage for 2010	Schedule A , Pa	rt II, line 14			15	
16a	33 1/3% support test-					line 14 is 33 1/3%	% or more, che	
h	and stop here. The org 33 1/3% support test					6a and line 15 is	33 1/20% or m	ore check this
D	box and stop here. The					oa, and inte 15 IS	1/3%0 UI M	ore, check this
17a	10%-facts-and-circum	-	•		-	ne 13, 16a, or 16	b and line 14	٠,
	ıs 10% or more, and ıf							
	in Part IV how the orga	anızatıon meet	s the "facts and	d circumstances"	test The organiz	zatıon qualıfıes as	a publicly su	
b	organization 10%-facts-and-circum	stances test—	2010. If the ora	anization did not	check a hov on li	ne 13, 16a 16b	or 17a and lin	▶ □
,	15 is 10% or more, an							-
	Explain in Part IV how	the organizati						
10	supported organization Private Foundation If t		n did not chools	a hov on line 12	16a 16h 17a a	or 17h chack this	hov and coc	► □

▶□

Schedule A (Form 990 or 990-EZ) 2011 Page 3 Part III Support Schedule for Organizations Described in IRC 509(a)(2) (Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.) Section A. Public Support Calendar year (or fiscal year beginning (a) 2007 **(b)** 2008 (c) 2009 (d) 2010 (e) 2011 (f) Total ın) Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ") Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose Gross receipts from activities that are not an unrelated trade or business under section 513 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf The value of services or facilities furnished by a governmental unit to the organization without charge Total. Add lines 1 through 5 7a Amounts included on lines 1, 2, and 3 received from disqualified persons Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year c Add lines 7a and 7b Public Support (Subtract line 7c from line 6) Section B. Total Support Calendar year (or fiscal year beginning (a) 2007 **(b)** 2008 (c) 2009 (d) 2010 (e) 2011 (f) Total ın) Amounts from line 6 Gross income from interest, 10a dividends, payments received on securities loans, rents, royalties and income from similar sources Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 Add lines 10a and 10b C Net income from unrelated 11 business activities not included in line 10b, whether or not the business is regularly carried on Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV) Total support (Add lines 9, 10c, 13 11 and 12) First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here Section C. Computation of Public Support Percentage Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f)) 15 15 Public support percentage from 2010 Schedule A, Part III, line 15 16 16 Section D. Computation of Investment Income Percentage

Investment income percentage for 2011 (line 10c column (f) divided by line 13 column (f))

19a 33 1/3% support tests—2011. If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not

18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions

33 1/3% support tests-2010. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line

more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

Investment income percentage from 2010 Schedule A, Part III, line 17

17

18

17

18

▶[

Part IV	Supplemental Information. Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Also complete this part for any additional information. (See instructions).							
Facts And Circumstances Test								
	Explanation							

Schedule A (Form 990 or 990-EZ) 2011

Additional Data

Software ID: Software Version:

EIN: 23-1913910

Name: St Mary Medical Center

Form 990, Special Condition Description:

Special Condition Description

DLN: 93493320018052

OMB No 1545-0047

SCHEDULE D (Form 990)

Department of the Treasury Internal Revenue Service

Supplemental Financial Statements

► Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b ► Attach to Form 990. ► See separate instructions.

Open to Public Inspection

	me of the organization lary Medical Center		Employer identification number					
J(1	nary reducal Center		23-1913910					
Pa	rt I Organizations Maintaining Donor A		unds or Accounts. Complete if the					
	organization answered "Yes" to Form 99	(a) Donor advised funds	(b) Funds and other accounts					
1	Total number at end of year	(a) poner davised rands	(b) Failub and other accounts					
2	Aggregate contributions to (during year)							
3	Aggregate grants from (during year)							
4	Aggregate value at end of year							
5	Did the organization inform all donors and donor adv funds are the organization's property, subject to the		or advised Yes No					
6	Did the organization inform all grantees, donors, and used only for charitable purposes and not for the ber conferring impermissible private benefit							
Pa	rt II Conservation Easements. Complete	if the organization answered "Yes" t	, , , , , , , , , , , , , , , , , , ,					
1	Purpose(s) of conservation easements held by the o Preservation of land for public use (e g , recreat Protection of natural habitat Preservation of open space Complete lines 2a-2d if the organization held a qual	rganization (check all that apply) ion or pleasure) Preservation of an Preservation of a c	historically importantly land area certified historic structure					
	easement on the last day of the tax year							
	Total number of conservation easements		Held at the End of the Year					
a			2a					
b	Total acreage restricted by conservation easements		2b					
С	Number of conservation easements on a certified his	, ,	2c					
d 3	Number of conservation easements included in (c) a Number of conservation easements modified, transfe	•	2d					
4 5	Number of states where property subject to conserv. Does the organization have a written policy regarding enforcement of the conservation easements it holds	g the periodic monitoring, inspection, hand	dling of violations, and					
5	Staff and volunteer hours devoted to monitoring, insp	pecting and enforcing conservation easem	nents during the year 🟲					
7	Amount of expenses incurred in monitoring, inspecti	ng, and enforcing conservation easements	s during the year					
В	Does each conservation easement reported on line 2 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?	2(d) above satisfy the requirements of sec	rtion Yes No					
9	In Part XIV, describe how the organization reports c balance sheet, and include, if applicable, the text of the organization's accounting for conservation easer	the footnote to the organization's financial						
Par	Complete if the organization answered	"Yes" to Form 990, Part IV, line 8.						
1a	If the organization elected, as permitted under SFAS art, historical treasures, or other similar assets held provide, in Part XIV, the text of the footnote to its fir	for public exhibition, education or research	ch in furtherance of public service,					
b	If the organization elected, as permitted under SFAS historical treasures, or other similar assets held for provide the following amounts relating to these items	public exhibition, education, or research i						
	(i) Revenues included in Form 990, Part VIII, line 1		▶ -\$					
	(ii) Assets included in Form 990, Part X		► \$					
2	If the organization received or held works of art, hist following amounts required to be reported under SFA							
а	Revenues included in Form 990, Part VIII, line 1		► \$					
b	Assets included in Form 990, Part X		▶ \$					

	•••• Organizations Maintaining Co	llections of Art	t, His	<u>tori</u>	<u>cal I</u>	reas	<u>ures, or Ot</u>	<u>the</u>	<u>r Similar A</u>	sset:	S (co.	ntınued)
3	Using the organization's accession and othe items (check all that apply)	r records, check an	y of th	ne fol	owing	that a	re a significa	nt u	se of its colle	ction		
а	Public exhibition		d	Γ	Loan	orex	change progra	ams				
b	Scholarly research		e	Γ	Othe	er						
c	Preservation for future generations											
4	Provide a description of the organization's co	ollections and expla	ain ho	w the	y furth	er the	organızatıon'	's ex	cempt purpose	ın		
5	During the year, did the organization solicit of assets to be sold to raise funds rather than t								nılar	┌ Y	es	┌ No
Par	Escrow and Custodial Arrang Part IV, line 9, or reported an an	ements. Compl	ete ıf	the	orgar	nizatio			es" to Form	990,		
1a	Is the organization an agent, trustee, custod included on Form 990, Part X?	lian or other interm	edıary	forc	ontrıb	utions	or other asse	ets i	not	┌ Y	es	┌ No
b	If "Yes," explain the arrangement in Part XIV	/ and complete the	follov	ving t	able		Г		Δ.	moun	+	
_	Beginning balance							^	IIIOuii			
c d	Beginning balance Additions during the year							10 1d				
e							<u> </u>	1u 1e				
f	Distributions during the year						_	ıe 1f				
	Ending balance	000 Deat V I	- 242					ΤΙ				
2a	Did the organization include an amount on Fo	•	e 21 /	'						⊢ Υ	es	│ No
	If "Yes," explain the arrangement in Part XIV				1 1157	!!	F 000		1 7 1 40			
Par	rt V Endowment Funds. Complete	if the organizatio)Prior					't IV, IINE 10 Three Years Back		our Ye	ars Back
1a	Beginning of year balance	(a)current rear	(,,	<i>)</i> 1 1101	rear	1 (6)	WO TCGTS BUCK	(4)	Tillee Tears back	(6)	our re	dis back
 b	Contributions									 		
c	Investment earnings or losses									 		
d	Grants or scholarships											
e	Other expenditures for facilities and programs											
f	Administrative expenses											
q	End of year balance											
2	Provide the estimated percentage of the yea	r end balance held	as					l		1		
– a	Board designated or quasi-endowment	r ena paramee mera	u 5									
ь	Permanent endowment ►											
	Term endowment ▶											
с За	Are there endowment funds not in the posses organization by	ssion of the organiz	atıon	that	are he	ld and	admınıstered	for	the	Г	Yes	No
	(i) unrelated organizations								3	(i)		
	(ii) related organizations									(ii)		
b	If "Yes" to 3a(II), are the related organizatio	ns listed as require	d on S	Sched	lule R				[;	ВЬ		
4	Describe in Part XIV the intended uses of th	e organızatıon's en	dowm	ent fu	ınds							
Par	t VI Land, Buildings, and Equipme	ent. See Form 99	90, Pa	<u>irt X</u>	, lıne	10.	T					
	Description of property				Cost or	other tment)	(b) Cost or oth basis (other)		(c) Accumulate depreciation	d (d) Boo	ok value
1 a L	_and						2,331,	944				2,331,944
b E	Buildings						127,673,	972	35,159,9	14	92	2,514,028
c L	_easehold improvements						49,	808	11,6	97		38,111
d E	Equipment						98,609,	327	56,102,0	16	42	2,507,311
e (Other						34,219,	207	· · ·		34	1,219,207
	I. Add lines 1a-1e <i>(Column (d) should equal Fo</i>	orm 990, Part X, colu	mn (B), line	10(c).	.) .						1,610,601
	•	•			<u></u>				Schedule	D (Fo		

Part VII Investments—Other Securities. See	Form 990, Part X, line 1.	2.	
(a) Description of security or category	(b)Book value		d of valuation
(including name of security)	(-,	Cost or end-of-	-year market value
(1)Financial derivatives			
(2)Closely-held equity interests			
Other			
Total. (Column (b) should equal Form 990, Part X, col (B) line 12)			
Part VIII Investments—Program Related. See		13.	
(a) Description of investment type			d of valuation
- (a) Description of investment type	(b) Book value	Cost or end-of-	year market value
Total. (Column (b) should equal Form 990, Part X, col (B) line 13)			
Part IX Other Assets. See Form 990, Part X, Irr		1	
(a) Descrip	tion		(b) Book value
(1) Other Accounts Receivable			3,069,274
(2) Due From Related Organizations			61,293,663
(3) Deferred Financing			1,429,205
(4) Other Long Term Assets			4,866,723
(5) LT Swap Program CHE Market Valuation			232,886
(6) Insurance Gross up & Receivables			18,754,861
Total. (Column (b) should equal Form 990, Part X, col.(B) line 1	5.)		89,646,612
Part X Other Liabilities. See Form 990, Part X	, line 25.		
1 (a) Description of Liability	(b) A mount		
Federal Income Taxes			
Capital Lease	1,244,434		
Accrued Interest	730,394		
Other Current Liabilities	15,836,917		
Fixed Asset Retirement Obligation	2,138,777		
Pension Liability	17,358,113		
LT Swap program CHE Market Valuation Program	1,361,314		
Reserve for Self Insurance	5,509,000		
Other Long term Liabilities	2,731,468		
Insurance Gross Up	18,558,000		
Total. (Column (b) should equal Form 990, Part X, col (B) line 25)	65,468,417		

	Reconciliation of Change in Net Assets from Form 990 to Financial Statemen	ILS	
1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
	Total expenses (Form 990, Part IX, column (A), line 25)	2	
	Excess or (deficit) for the year Subtract line 2 from line 1	3	
	Net unrealized gains (losses) on investments	4	
	Donated services and use of facilities	5	
	Investment expenses	6	
	Prior period adjustments	7	
		8	
	Other (Describe in Part XIV)		
	Total adjustments (net) Add lines 4 - 8	9	
)	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	
14	Reconciliation of Revenue per Audited Financial Statements With Revenue p		eturn
	Total revenue, gains, and other support per audited financial statements	1	
	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
	Net unrealized gains on investments		
)	Donated services and use of facilities		
:	Recoveries of prior year grants		
ı	Other (Describe in Part XIV)		
•	Add lines 2a through 2d	2e	
	Subtract line 2e from line 1	3	
	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
	Investment expenses not included on Form 990, Part VIII, line 7b . 4a		
	Other (Describe in Part XIV)		
	Add lines 4a and 4b	4c	
	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	
rt	Reconciliation of Expenses per Audited Financial Statements With Expenses	per	Return
	Total expenses and losses per audited financial statements	1	
	A mounts included on line 1 but not on Form 990, Part IX, line 25		
	Donated services and use of facilities		
)	Prior year adjustments		
	Other losses		
	Other (Describe in Part XIV) 2d		
:	Add lines 2a through 2d	2e	
	Subtract line 2e from line 1	3	
	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
•	Investment expenses not included on Form 990, Part VIII, line 7b 4a		
•	Other (Describe in Part XIV)		
	Add lines 4a and 4b	4c	
3			
!	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	

Identifier Return Reference Explanation

additional information

Additional Data

Software ID: Software Version:

EIN: 23-1913910

Name: St Mary Medical Center

Form 990, Schedule D, Part X, - Other Liabilities

1 (a) Description of Liability	(b) A mount
Capital Lease	1,244,434
Accrued Interest	730,394
Other Current Liabilities	15,836,917
Fixed Asset Retirement Obligation	2,138,777
Pension Liability	17,358,113
LT Swap program CHE Market Valuation Program	1,361,314
Reserve for Self Insurance	5,509,000
Other Long term Liabilities	2,731,468
Insurance Gross Up	18,558,000

OMB No 1545-0047

Open to Public Inspection

SCHEDULE H (Form 990)

Department of the Treasury Internal Revenue Service

► Complete if the organization answered "Yes" to Form 990, Part IV, question 20. ► Attach to Form 990. ► See separate instructions.

Hospitals

Name of the organization St Mary Medical Center

Employer identification number

Б-	The Charity Carry and	l Combolina C	4h a C	munitu Demafite - '		1913910				
Ρā	rt I Charity Care and	Certain O	tner Comr	munity Benefits at	Cost			Yes	No	
1a	Did the organization have a c	harity care po	olicy? If "No,	" skip to question 6a			1a	Yes		
Ь	If "Yes," is it a written policy	·					1b	Yes		
2	If the organization had multip care policy to the various hos		indicate whic	h of the following best	describes application o	of the charity				
	Applied uniformly to all ho Generally tailored to indiv	-	ls	Applied uniformly	to most hospitals					
3	Answer the following based or			y criteria that applies	to the largest number o	f the				
а	Did the organization use Fede					are?				
		_	10% ~	Other 250.000000			3a	Yes		
b	Did the organization use FPG			providing <i>discounted</i> o	are? If					
	"Yes," indicate which of the fo	ollowing is the	tamily incor	me limit for eligibility fo	r discounted care .		3b	Yes		
	T 200%	30	о% Г	350% ~ 40	0% Г Other_	%				
С	If the organization did not use determining eligibility for free test or other threshold, regard	or discounte	d care Inclu	de in the description w	hether the organization					
4	Did the organization's policy	provide free o	r discounted	care to the "medically	ındıgent"?		4	Yes		
5 a	Did the organization budget a the tax year?	mounts for fre	ee or discoun	ited care provided unde	er its financial assistan	ce policy during	5a	Yes		
b If "Yes," did the organization's charity care expenses exceed the budgeted amount?										
c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?										
6a Did the organization prepare a community benefit reportduring the tax year?										
6b	If "Yes," did the organization	make it avail	able to the p	ublic?			6b	Yes		
	Complete the following table worksheets with the Schedule		ksheets prov	ided in the Schedule H	instructions Do not s	ubmıt these				
7	Charity Care and Certain O	ther Commur	nity Benefits	at Cost						
	Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community b expense	enefit	(f) Pero total ex		
a	Charity care at cost (from Worksheet 1)		7,871	2,848,696		2,84	8,696	0	800 %	
	Medicaid (from Worksheet 3, column a)		2,080	6,044,797			4,797	1	700 %	
С	Costs of other means-tested government programs (from Worksheet 3, column b)		0							
d '	Total Charity Care and Means-Tested Government Programs		9,951	8,893,493		8,89	3,493	2	500 %	
e	Other Benefits Community health improvement services and community benefit operations (from		20.001	1 240 542	444.005		722			
f	(Worksheet 4) Health professions education	24	20,061	1,348,619	114,896	1,23	3,723	0	350 %	
	(from Worksheet 5) Subsidized health services	3		307	45 754 600		307		0 %	
h	(from Worksheet 6) Research (from Worksheet 7)	7	30,020	21,160,568	15,754,682	5,40	5,886	1	520 %	
i	Cash and in-kind contributions for community benefit (from Worksheet 8)	61	2,663	971,149			1,149		270 %	
•	otal Other Benefits	95 95	52,760 62,711	23,480,643 32,374,136	15,869,578 15,869,578		1,065 4 558		140 % 640 %	
ĸ.	Total Add lines 7d and 7i	ı UÇ	L 62/111	43 3 M 136	1 4 8 6 0 5 7 9 1	16 50	4 5581	1	n40 %	

	activities.	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense		rect offse revenue	ttıng	(e) Net communit building expense		(f) Perc total ex	
1	Physical improvements and housing										
2	Economic development										
3	Community support										
4	Environmental improvements										
5	Leadership development and training										
6	for community members Coalition building				-				+		
	Community health improvement advocacy										
8	Workforce development										
9	Other										
10	Total										
Pai	t IIII Bad Debt, Medicar	e, & Collec	tion Practic	es							
Sect 1	ion A. Bad Debt Expense Did the organization report bac				nancıal M	anagem	ent As	ssociation		Yes	No
2	Statement No 15?						1	Yes			
3	Enter the estimated amount of		•					10,304,011			
patients eligible under the organization's charity care policy											
4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit											
Section B. Medicare											
5 Enter total revenue received from Medicare (including DSH and IME) 5 1							106,584,626				
6	Enter Medicare allowable cost	s of care relat	ing to payment	s on line 5		6		124,049,547			
7	Subtract line 6 from line 5 Th	•	, ,			7		-17,464,921			
8	Also describe in Part VI the c Check the box that describes	Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit be in Part VI the costing methodology or source used to determine the amount reported on line 6 pox that describes the method used									
	Cost accounting system	I ✓ Co	st to charge ra	tio	Other						
	ion C. Collection Practices										
9a	Did the organization have a wr			-			•		9a	Yes	
b	If "Yes," did the organization's contain provisions on the colle assistance? Describe in Part \	ection practice	s to be followe	d for patients who a	ire known	to qual	fy for t	inancial	9b		No
Pa	rt IV Management Com				-						
	(a) Name of entity	(t	o) Description of p activity of entit		(c) Organii profit % o ownersh	r stock	er	I) Officers, directors, trustees, or key employees' profit % r stock ownership%		(e) Physicians' profit % or stock ownership %	
1 1	Endoscopy Center at St Mary	Medical Services	5		1	17 500 %				82 5	00 %
2 2	Langhorne Mob Partners LP I	Investment & O	perations			10 080 %				59 9	00 %
3 3	Langhorne Mob Partners LP II	Investment & O	perations		7	73 860 %				26 1	00 %
4 4 Mary	The Ambulatory Surgery Center at St LLC	ASC services an	d related procedur	es	Ē	51 000 %				49 0	00 %
5											
6											
7											
8											
9											
10											
11											
12											
13											

Part	V Facility Information									
	on A. Hospital Facilities	Licens	Gener	Childre	Teach	Critica	Resea	ER-24 hours	ER-other	
(lıst ır	order of size from largest to smallest)	Licensed hospital	General medical &	Children's hospital	Teaching hospital	acces	Research facility	hours	her 	
	nany hospital facilities did the organization operate during x year? 1	pital	cal & surgical	spital	prtal	Ortical access hospital	lity			
Namo	and address									
Name	and address									Other (Describe)
1	St Mary Medical Center 1201 Langhorne-Newton Road Langhorne, PA 19047	x	х					х		Trauma Center, Neonatal ICU
		-				<u> </u>				
		+				<u> </u>				
						<u> </u>				
		-				<u> </u>				
		+				 				
	+					 		1		
		1								

Part V Facility Information (continued) Section B. Facility Policies and Practices.

(Complete a separate Section B for each of the hospital facilities listed in Part V , Section A)

St Mary Medical Center

Name of Hospital Facility:	
Line Number of Hospital Facility (from Schedule H, Part V, Section A):_	1

			Yes	No
Co	mmunity Health Needs Assessment (Lines 1 through 7 are optional for 2011)			
1	During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	1		
	If "Yes," indicate what the Needs Assessment describes (check all that apply)			
	a A definition of the community served by the hospital facility			
	b Demographics of the community			
	Existing health care facilities and resources within the community that are available to respond to the health			
	needs of the community			
	d How data was obtained			
	e The health needs of the community			
	Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and			
	minority groups			
	g The process for identifying and prioritizing community health needs and services to meet those needs			
	h The process for consulting with persons representing the community's interests			
	i Information gaps that limit the hospital facility's ability to assess the community's health needs			
	j Cother (describe in Part VI)			
	Indicate the tax year the hospital facility last conducted a Needs Assessment 20			
3	In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into			
	account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4	Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		
5	Did the hospital facility make its Needs Assessment widely available to the public?	5		
	If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
	a			
	b A vailable upon request from the hospital facility			
	c Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
	a Adoption of an implementation strategy to address the health needs of the hospital facility's community			
	b Execution of the implementation strategy			
	c Development of a community-wide community benefit plan for the facility			
	d Participation in community-wide community benefit plan			
	e Inclusion of a community benefit section in operational plans			
	f Adoption of a budget for provision of services that address the needs identified in the CHNA			
	g Prioritization of health needs in the community			
	h Prioritization of services that the hospital facility will undertake to meet health needs in its community			
	i Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No,"			
	explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7		
Fir	ancial Assistance Policy	1		
	Did the hospital facility have in place during the tax year a written financial assistance policy that			
		8	Yes	
9	Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	9	Yes	<u> </u>
	If "Yes," indicate the FPG family income limit for eligibility for free care 250 0000000000000% If "No," explain in Part VI the criteria the hospital facility used			
	Schedule	U /Ea-	m 000	2011

Pa	art V Facility Information (continued)			
			Yes	No
10	Used FPG to determine eligibility for providing discounted care?	10	Yes	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
11	Explained the basis for calculating amounts charged to patients?	11	Yes	
	If "Yes," indicate the factors used in determining such amounts (check all that apply)			
	a 🔽 Income level			
	b Asset level			
	c Medical indigency			
	d Insurance status			
	e V Uninsured discount			
	f Medicaid/Medicare			
	g State regulation			
	h Cother (describe in Part VI)			
12	Explained the method for applying for financial assistance?	12	Vac	
	Included measures to publicize the policy within the community served by the hospital facility?	12	Yes	
1.5	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)	13	Yes	
	The policy was posted at all times on the hospital facility's web site			
	b The policy was attached to all billing invoices			
	The policy was provided, in writing, to patients upon admission to the hospital facility			
	The policy was available upon request			
	g 🔽 Other (describe in Part VI)			
	ling and Collections Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial	Π		
17	assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	14	Yes	
15	Check all of the following collection actions against an individual that were permitted under the hospital facility's			
	policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's			
	FAP Reporting to credit agency			
	b Lawsuits			
	c Liens on residences			
	<u>-</u>			
	d Body attachments or arrests			
16	e Other similar actions (describe in Part VI)			
10	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	16		Νo
	If "Yes," check all actions in which the hospital facility or a third party engaged			
	a Reporting to credit agency			
	b Lawsuits			
	c Liens on residences			
	d Body attachments			
	e Other similar actions (describe in Part VI)			
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all			
	that apply)			
	a Notified patients of the financial assistance policy upon admission			
	b Notified patients of the financial assistance policy prior to discharge			
	c Notified patients of the financial assistance policy in communications with the patients regarding the patients'			
	bills			
	d Documented its determination of whether patients were eligible for financial assistance under the hospital			
	facility's financial assistance policy Other (describe in Part VI)			
	e i o the lacetine in late vi	I		

If "Yes," explain in Part VI

provided to that patient?

.

20

21

Νo

Νo

Part V Facility Information (continued) Policy Relating to Emergency Medical Care Yes 18 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals **18** | Yes If "No," indicate why a The hospital facility did not provide care for any emergency medical conditions **b** The hospital facility's policy was not in writing The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI **d** Other (describe in Part VI) Individuals Eligible for Financial Assistance 19 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAPeligible individuals for emergency or other medically necessary care The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged b The hospital facility used the average of it's three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged c The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged d Other (describe in Part VI)

20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?

21 Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services

If "Yes," explain in Part VI Schedule H (Form 990) 2011

chedule	H (Form	990)	2011

Page **7**

Part V Facility Information (continue

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility (list in order of size from largest to smallest)

e and address	Type of Facility (Describe)
The Ambulatory Surgery Center at St Mary 1203 Langhorne Newtown Road Langhorne, PA 19047	ASC services and related procedures
Endoscopy Center at St Mary LP 1203 Langhorne Newtown Road Langhorne, PA 19047	Medical Services

Part VI Supplemental Information

Complete this part to provide the following information

- Required descriptions. Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part III, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 11, 3, 4, 5c, 61, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21
- 2 **Community health needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any community health needs assessments reported in Part V, Section B
- Patient education of eligibility for assistance. Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- Promotion of community health. Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.)
- Affiliated health care system. If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Identifier	ReturnReference	Explanation
		Part I, Line 7 A cost to charge ratio is used for lines 7a and 7b The cost to charge ratio is computed by taking total gross expenses less bad debt divided by total gross patient revenue Both a cost accounting system, which addresses all patient segments, and actual expenses are used to compute the other benefits

Identifier	ReturnReference	Explanation
		Part I, Line 7g Subsidized health care costs include the cost attributable to two outpatient clinics. In these clinics care is provided by certified nurse midwives, pediatric nurse practitioners and collaborating physicians. The amount of such costs is \$1,601,362

Identifier	ReturnReference	Explanation
		Part I, L7 Col(f) The Bad Debt expense included on Form 990, Part IX, Line 25, Column (A), but subtracted for purposes of calculating the percentage in this column is \$16,564,011

Identifier	ReturnReference	Explanation
		Part III, Line 4 The amount reported on Line 2 is the 2011 YTD bad debt expense per the financial statements Self pay payments are reported net of reductions to revenue associated with our self pay policy If the balance is not collected, it is charged to bad debt expense

Identifier	ReturnReference	Explanation
		Part III, Line 8 To determine Medicare allowable costs reportable in the Medicare cost report, the cost-to-charge ratio is applied to gross patient revenue associated with services performed for patients who are eligible for Medicare Although shortfall is not reported in Part I, Line 7 Community Benefit, it evidences the fact that the organization significantly subsidizes the cost of treating Medicare patients

Identifier	ReturnReference	Explanation
		Part III, Line 9b Collection activities are only pursued with respect to amounts that patients are able to pay as determined by the organization's charity care policy No collection activities take place with respect to amounts that patients are not expected to pay under this policy

Identifier	ReturnReference	Explanation
St Mary Medical Center		Part V, Section B, Line 13g The policy is summarized in our financial brochure which is available on our website. The financial policy brochure is also placed in the emergency and admission waiting areas. Any patient that does not have insurance is advised of the financial policy.

Identifier	ReturnReference	Explanation
St Mary Medical Center		Part V, Section B, Line 19d The outpatient charges for all self pay patients are reduced by 32% The Inpatient charges for all self pay patients are reduced to a predetermined rate consistent with payments made by commercially insured patients If the patient qualifies for charity care, an additional discount will be applied based on the financial assistance policy

Identifier	ReturnReference	Explanation
·		Part VI, Line 2 In an effort to identify the health care needs of
		our community, in 2010 St Mary Community Health Services
		conducted a Community Health Needs Assessment The purp
		ose of this assessment was to gather information about the
		health needs and priorities for Bucks County residents in our service area in order to allocate resources more responsive ly
		to meet their needs As a first step towards completing a
		community needs assessment for our service area, St. Mary
		analyzed a number of secondary data sources including public
		health data, behavioral health risk factor surveys, socio- economic needs assessments and e xisting programs that had
		been developed for residents in Bucks County from 2008-
		2009 The data collection process was designed to identify the
		most pressing health concerns in our service area with special
		emphasis on vulnerable populations. The main secondary data col lection tools chosen include the 2008 Behavioral Risk
		Factor Surveillance Survey (BRFSS) o f Bucks County Adults,
		designed to track healthy behaviors and health problems, and
		the 20 09 Community Needs Index (CNI), designed to assess
		health disparity by zip code based on s pecific barriers to healthcare access These two tools were central to the
		development of our plan since they allowed us to see the health
		and health-related behaviors affecting ou r population at the
		county level (BRFSS) and to assess the impact of
1		socioeconomic variables to accessing health care at zip code
		level (CNI) allowing St Mary to identify and addriess the disproportionate unmet health-related needs of our service
		area The second step in our community needs assessment
1		focused on prioritization of community needs. The data shows
		that the majority of health services sought by Bucks County
1		adults, as well as hospita I admissions, are related to cardiovascular disease (CVD) Risk factors associated with CV
		D include smoking, physical inactivity and unhealthy eating
		behaviors This is especially high among male residents with
		low education levels and those individuals with limited ac cess
		to health care and health promotion activities. The top three health-related prioriti es identified through St. Mary community
		needs assessment process concerned access to heal th
		promotion/disease prevention programs (education), health
		care for the underserved and access to culturally and
		linguistically appropriate services for our growing immigrant population. In addition, Catholic Health East (CHE) has also made
		addressing the needs of the homeless a key priority across the
		entire system Multiple stakeholders were engaged to further
		assist with priority focus and goal setting in step three Findings
		from the needs assessment were shared during a community consultation phase during three focus group sess ions (2Q
		2010) Our first focus group was with our Community Advisory
		Group, which include d CEOs and Directors from Bucks County
		Health Improvement Partnership, Bucks County Health
		Department Mental Health/Mental Retardation, Red Cross Homeless Shelter, HealthLink Medi cal Center, Bucks County
		Housing Group, Bucks County Department of Health, Lower
		Bucks YWC A, Family Services Association, and Bucks County
		Children & Youth This group was asked to provide input on the
		preliminary community initiatives proposed by St. Mary through group dialogue. The focus group confirmed that St. Mary
		proposed priorities would greatly benefit the underserved and
1		the broader community, but they also requested additional
		support for eviction prevention programs and mental and
1		behavioral health community resources The s econd focus group was compiled of clients who were asked to report on
1		services received from our Bensalem Community Ministries
		facility, as well as, to identify services that are lacking in May
1		2010 This focus group also included homeless clients housed
		in the St Mary transitional housing facilities. This group was
1		asked to review current family resource a nd medical services offered including access to medical care, access to and
1		effectiveness of health and wellness classes, computer classes,
1		education classes, job skills training, counseling sessions and
1		adolescent outreach programs These clients asked for
		expansion of mammogram coverage for women 40 years and older, referrals for mental health counseling , ESL and GED
		classes, advanced computer classes, additional time for
1		assistance in comple ting MA applications, and guest lecturers
1		for women's and adolescent outreach groups Our third focus
		group consisted of a dedicated meeting with our Bucks County Mental Health/Ment al Retardation Leadership in 3Q 2010 At
1		our initial focus group meeting with this organization, St. Mary
1		discussed in greater detail the impact of mental and behavioral
1		health iss ues and how it affects access to health care for our
		residents The group shared that alth ough their current government programs were successful, budget cuts will
		necessitate addit ional funding in order to assist with housing
1		for
		Schedule H (Form 990) 2011

Identifier	ReturnReference	Explanation
		patients with mental and behavioral health diagnoses Data
		compiled from these three focus groups formed the basis of our Primary Data collection Gaps in services identified throu gh
		this collection process were also used in the development of our
		final community benefit plan Following consultation with our
		community partners, St Mary revised the Community Health
		2010/2011 Plan prior to review by Sr Leadership and the
		Ministry Committee of the Board For our final step in this process, St Mary partnered with St Louis School of Public
		Health, a national leader in evidenced-based Community Benefit
		program management, to review our plan as well as to revise
		existing community benefit evaluation tools Recommen ded
		revisions were made to the St. Mary Community Needs
		Assessment and Plan 2010/2011 prior to final review by Sr Leadership and the full St Mary hospital board (4Q 2010) This
		p lan was made widely available on our website and was also
		mailed to all community stakehol ders Service Area Definition -
		Based on zip codes (18), St Mary Medical Center defines it s
		primary community for purposes of the needs assessment and
		community benefit plans to in clude the following cities (in alphabetical order) Bensalem (19020), Bristol (19007), Cro
		ydon (19021), Fairless Hills (19030), Feasterville (19053),
		Langhorne (19047), Levittown (19054, 19055, 19056,
		19057), Morrisville/Yardley (19067), New Hope (18938),
		Newtown (18940), Richboro (18954), Southampton (18966), Warrington (18960), Warminster (18974), and Wash ington
		Crossing (18977) The CDC and state health agencies
		collaboratively developed a surv eillance system to monitor
		behavioral risk factors for chronic disease in adults known as
		the Behavioral Risk Factor Surveillance System (BRFSS) In
		1989, the CDC and the PA Dept of Health began to use the BRFSS in Pennsylvania, with expansion to include respondents
		at the county level in 2002 St Mary funded the expansion of
		the BRFSS to include locally ad ded questions on exercise,
		asthma, diabetes, anxiety and depression, insurance coverage,
		o ral health coverage, cholesterol awareness, and colorectal cancer screening (colonoscopy/s igmoidoscopy) A total of
		1,210 Bucks County adults completed interviews for the Bucks
		Cou nty BRFSS survey The survey was conducted through
		monthly telephone interviews. The BRFSS core questions asked
		included health status, access to healthcare, health awareness,
		use of preventative health services and knowledge and attitude assessment. Select Behavioral R isk Factors for Bucks County
		Adults in 2008 showed - 11% reported Fair or Poor Health Sta
		tus - Health Care Access 6% reported no health insurance
		coverage, 32% did not visit doct or last year for routine visit,
		8% could not purchase medication last year due to cost, an d 18% reported that access to healthcare had the greatest
		Impact on their family - Afforda ble Permanent Housing 14%
		cited lack of affordable housing had greatest impact on their f
		amily - Cardiovascular Disease 10% reported they ever had a
		heart attack, CHD or stroke, 38% reported they had high cholesterol diagnosis, 7% diabetes rate, 21% reported no
		exerci se, 62% adults were overweight or obese, and 20% were
		smokers - Behavioral Health 4% reported chronic drinking and
		15% reported binge drinking, 13% reported diagnosis of
		anxiety disorder and 14% reported diagnosis of depressive
		disorder - Screenings 94% of women 40 and over reported ever having a mammogram and 63% had a mammogram within
		the past year, Sigm oidoscopy/Colonoscopy rate of 53% for
		adults age 50 and over in the past 5 years, and 74% had a Flu
		Shot in the past year and 73% reported ever having a
<u>J</u>		pneumonia vaccine for adult s 65 and over

Identifier	ReturnReference	Explanation
Identifier		Explanation Part VI, Line 3 St Mary Medical Center has invested significant resources in educating and assisting community members in obtaining access to Medicaid, CHIP, the St Mary Financial Assistance program and local community programs Through outreach efforts at the St Mary Family Resource Center, financial counselors assist families in face to face sessions in applying for the above resources St Mary frequently places information on obtaining assistance in applying for these programs in our local newspaper. The Community Benefit annual report also contains information on eligibility and help with the application process. This annual report is on the web site and sent to social service agencies. The St Mary Parenting Resource Center participated in the "National Cover the Uninsured Week" in 2009. The week included open enrollment sessions for CHIP at various community locations. Additional outreach efforts included providing Spanish and English CD's with insurance information and community resources for families and/or individuals, fifty CD's were distributed at the library. An insurance information and reference sheet as well as CHIP applications were disseminated at three local schools with over 1,000 families receiving application information At the Medical Center, Financial Counselors are readily available to provide counseling and assistance to any patient or patient family member to navigate their way through the financial assistance process. All patients are screened prior to date of service or at the time of service, for insurance coverage. Any uninsured or underinsured patient is contacted by a Financial Counselor to provide education and the opportunity to apply for Financial Assistance programs. The Financial Counselors assist the patient or family member as they navigate their way through the process which includes filling out forms and submitting documents required for eligibility. The hospital bill also provides information (in both
		English and Spanish) on our financial assistance programs as well as contact information for assistance
		Schedule H (Form 990) 2011

Identifier	ReturnReference	Explanation
		Part VI, Line 4 The population of St Mary Medical Center
		Service Area is estimated at 43 2,205 persons or 65 5% of
		Bucks County Currently, over half of the population we serve re sides in five cities Bensalem, Morrisville, Warminster,
		Southampton, and Langhorne Race/ Ethnicity - Caucasians
		(85 8%), African Americans (4 6%) and Hispanics (4 0%) are
		the thre e largest race/ethnic groups living in the hospital service area. Although Caucasians comprise the overwhelming
		majority in our service area, we have seen an increase in the
		number of new immigrants who do not speak English seeking
		services at our facilities Clients en rolled in classes at one of our facilities, the St Mary Family Resource Center, come from
		more than 45 countries and speak more than 32 different
		languages Educational Attainment Adults - U.S. Census
		Bureau 2007 statistics indicate that 90 7% of Bucks County residents have obtained at least a high school diploma or
		higher There are three communities within the St Mary service
		area that have a significant high school drop-out rate Bensalem (1 5%), Croydon (20%) and Bristol (25%) Review of
		the literature has shown that the level of education attained
		does influence an individual and their family's health and
		wellness S pecifically, the level of educational attainment has an impact on earning power, employment stability, and health-
		seeking behavior Age - 2008 U S Census Bureau data shows
		that 23 9,963 Bucks County residents were 0-44 years of age,
		and 192,242 were 45 years and up In the next 5 years (2014), the population in the service area is projected to increase by 1
		4%, up from 1% in the previous year Uninsured - St Mary
		Service Area - According to the C ommunity Needs Index
		(CNI), lack of insurance is one of the five key barriers affecting ac cess to healthcare. The 2009 CNI data shows that the
		greatest percent of uninsured residen ts are in Bristol,
		Bensalem, Fairless Hills, Croydon, and Levittown Data has shown that t he uninsured are more likely to delay or skip
		medical care, and dental care, and are less likely to take
		needed medications than their insured counterparts. Options for
		the uninsur ed and underinsured to access affordable health care, provided eligibility criteria has be en met, includes
		financial assistance programs such as MA and Children's
		Health Insurance Program (CHIP), hospitals and community health clinics administering care at a reduced co st or no cost,
		and financial assistance Medicaid enrollment was 7 3% or
		31,550 individual s in our service area in 2009 In 2010, St
		Mary conducted a phone survey to assess Medica id physician participation. Of the fifty primary care offices contacted, only
		eight were c urrently accepting new Medicaid patients Housing
		Instability and Homelessness - The CNI da ta shows that residents in Bristol, Bensalem and Levittown are the most
		vulnerable with re spect to housing and access to healthcare
		The percentage of those who rent is greatest in Bensalem,
		Bristol, Levittown and Croydon (CNI 2009) These are some of the hardest hit ar eas of unemployment as well Furthermore,
		1,953 home owners in Bucks County are in the for eclosure
		process, of which 1,267 or 65% are in the St Mary Medical Center service area T his statistic points to the at-risk
		population in our service area (HUD data May 2010) The lack
		of comprehensive eviction prevention programs in our service
		area makes this popula tion especially vulnerable to becoming homeless Surveillance data collected through our n eeds
		assessment process, and confirmed by our Community
		Advisory Council, indicates that a ffordable permanent housing
		is one of the key barriers in keeping our community healthy. With the lack of affordable housing, residents are often forced to
		make choices between pay ing their rent or mortgage and
		delaying or foregoing medical treatment. Data obtained from the
		Community Health Data Base 2008 for Southeastern PA (SEPA), reveals that 48 4% of res idents in Bucks County have
		difficulties paying for housing and balancing health and welln
		ess concerns SEPA adults who indicated that their housing payments (rent or mortgage) wer e "very difficult" or "difficult"
		to make each month were more likely than other area resi dents
		to report being sick but did not seek treatment due to the cost
		Those hardest hit i nclude those with the lower incomes. The assessment of homeless persons presents a challen ge, as
		much of this population tends to be dispersed or hidden in
		Bucks County Every year Bucks County is required by HUD to
		do a point-in-time count (PIC) of the homeless. This survey is performed throughout the county on a night in January. Every
		agency that provides services to homeless people must provide
		numbers served on that date According to this y ear's count,
		there were 104 families with children living in emergency shelters or transit ional housing for homeless families, a total of
		306 people An additional 132 were singles being served by
<u> </u>		these programs The PIC also trie
		Schedule H (Form 990) 2011

s to account for people living in the woods and in other places by sending teams to these informal camps to assess the number of people living there, who are not being served This year the count found 35 unsheltered singles The total, according to the County's PLC, is 474 people. The Reach-Out Foundation, an agency based in Morrisville that provides behavioral health services, has performed extensive outreach to the camps and believes the 35 co unt noted above to be a significant undercount. They estimate an additional 50-150 unshelt ered people who were not counted during the PLC survey. There, however, another mandate doount. The Bucks County Intermediate Unit (BIU) administers the Education of Homeless Ch lidren and Youth Program, a federally funded program designed to provide educational support to families who are homeless or marginally housed. These are families living doubled up, or staying in long-term hotels along Route 1. According to the BTU Program Director, 445 names of people were added to the above estimate. This method of enumeration is consistent with the HUD updated definition of homelessness. The highest percentage of homeless child rien resides in the Lower Bucks school district. Utilizing all three methods above, the total count of homeless persons in Bucks County is in between 969 and 1,069 individuals Poverty - In 2009, 28% of seniors (122,954) residing in our service area were classified as falling below the poverty line. A poverty rate of 16.8% (70,497) was reported for female head of household with children in our prescription medications than most age groups and are often living on fixed incomes. Furthermore, 10.5% of seniors in Bucks County did not fill their prescriptions due to cost (Public Health Management Co proration, Community Health Databace 2008). Gaps in behavioral health services in Bucks County with not fill their prescriptions due to cost (Public Health Management Co proration, Community Health Databace 2008). Gaps in behavioral health services in Bucks County with not f	Identifier	ReturnReference	Explanation
addressing these gaps in be havioral health services, with an	Identifier	ReturnReference	s to account for people living in the woods and in other places by sending teams to these informal camps to assess the number of people living there, who are not being served. This year the count found 35 unsheltered singles. The total, according to the County's PIC, is 474 people. The Reach-Out Foundation, an agency based in Morrisville that provides behavioral health services, has performed extensive outreach to the camps and believes the 35 co unt noted above to be a significant undercount. They estimate an additional 50-150 unshelt ered people who were not counted during the PIC survey. There is, however, another mandate doount. The Bucks County Intermediate Unit (BIU) administers the Education of Homeless Children and Youth Program, a federally funded program designed to provide educational suppoint to families who are homeless or marginally housed. These are families living doubled up, or staying in long-term hotels along. Route 1. According to the BIU Program Director, 445 names of people were added to the above estimate. This method of enumeration is consistent with the HUD updated definition of homelessness. The highest percentage of homeless children resides in the Lower Bucks school district. Utilizing all three methods above, the total count of homeless persons in Bucks County is in between 969 and 1,069 individuals. Poverty - In 2009, 28% of seniors (122,954) residing in our service area were classified as falling below the poverty line. A poverty rate of 16.8% (70,497) was reported for female heads of household with children in our service area. Seniors are an especially vulnerable patient population, they have greater health needs and utilize more prescription medications than most age groups and are often living on fixed incomes. Furthermore, 10.5% of seniors in Bucks County did not fill their prescriptions due to cost (Public Health Management Corporation, Community Health Database 2008). Gaps in behavioral health services in Bucks Co unty were identified in the 2010 in St. Mary.
			addressing these gaps in be havioral health services, with an

Identifier	ReturnReference	Explanation
		Part VI, Line 5 St Mary Medical Center's Board of Directors is a group of committed community members. The Board is selected based on their personal qualifications and key competencies and their commitment to St Mary ministries and values. The Board consists of a diverse group of individuals who are representative of the community. The Medical Staff is open to all qualified physicians in the community. St Mary has an Emergency Department, open 24 hours a day, which treats all persons needing care, regardless of ability to pay. The Medical Center annual surplus is used to bring up-to-date technology and facilities to the community, enable outreach and services to the underserved in our community, to respond to public health needs that improves overall community health and to improve the quality of care.

Identifier	ReturnReference	Explanation
Identifier		Part VI, Line 6 St Mary Medical Center collaborates with the Bucks County Health Improvement Partnership (BCHIP), a non-profit organization comprised of the acute care hospitals, health department and medical society of Bucks County This collaboration provides adult primary care services to uninsured, low-income, community members St Mary provides the clinic space, all utilities, maintenance, cleaning, security and IT services In addition, St Mary provides all laboratory services for the clinic as well as funding for a pharmacy assistance program St Mary provides ancillary services such as outpatient therapies, medications, DME and other services and equipment needed by the clinic patients St Mary also provides office space and support services to BCHIP's administrative staff, including utilities, telephone, IT, security and maintenance services St Mary Medical Center is affiliated with LIFE St Mary ("LIFE"), which provides a Program of All-inclusive Care for the Elderly (PACE) This innovative model of long-term care offers disabled and frail older adults the option of remaining at home with dignity and independence. The program relies on capitated revenue from both Medicare and Medicaid. The program's philosophy is that seniors with chronic care needs who are served in the community have better quality of life and better health outcomes. LIFE currently serves older adults in lower Bucks County St Mary Medical Center is also affiliated with Langhorne Physician Services, Inc. (LPS) which provides primary care, trauma, O B/GYN, surgical and other physician services to the Bucks County region. LPS provides services to all patients in the lower and central Bucks County
<u> </u>		area including indigent and underinsured patients

Identifier	ReturnReference	Explanation
Reports Filed With States	Part VI, Line 7	A L,CT,DE,FL,GA,ME,MA,NJ,NY,NC,PA

	inued)General Health StatusSt Mary
	Mean for H ealth StatusTo obtain general
	residents just within our service area , we
	and survey data provided by BRFSS ce area were surveyed on a variety of
	ral overall health and socioeconomic i
	e health status of residents within our
	ssed using a variety of health-related
	ed included concerns regarding lifesty le
	trition, presence of chronic diseases and the ma, high blood pressure, high
	nental health issues and diabetes. This
	red to other U.S. household health status
· · ·	of hou seholds surveyed within the St
	orted excellent, very good, and good
	ps This was evident in their scores which
	orte d U S mean for health status for most our service area, with the exception of
	Households surveyed in two cities in our
service area f ell belov	w the reported mean for Health Status
	of those residing in Bristol, followed by
	y, Bensalem was just above the U.S. mean
	atus rank This may be, in part, due to the
	St Mary Community Ministries in een providing medical and family services
	ne data shows that when household survey
	ed by age, 55- 64 year old residents of
Bristol reported their h	nealth status as only fair (-22 5%), which
	mean for health status rank Trends
	us rank below the US mean were s 65 years old and older in Bristol House
	, Bensalem, and Croydon reported health
	ally ab ove the mean U S scores
	ata and Contributing FactorsAlthough
·	vements in some indicators of health
	is among the wors t states in its high cancer and colorectal cancer, particularly
	women (Women's Health and Mortality
	ce on Women's Health 2004-2007)
Pennsylvania also ran	ks among the highest for the number of
	hich significantly increases the risk of
1 · · · · · · · · · · · · · · · · · · ·	other diseases (Kais er Foundation
	es of all races have met the Healthy r receiving a mammogram in the past 2
	er preventive care services, women ranked
l ' '	outine check-ups In Bucks County,
	nen age 40 and older had a mammogram ın
	closure of the Healthy Women program,
	itative services including mammograms vo men in Bucks County, is a concern
	groups Health status indicators and
	for Bucks County residents mirror
	ics wi th cardiovascular disease/stroke
	uing to be significant health problems in
	e CDC, Vital Statistics 2008) It is nd t hat behavioral factors contribute to
	tobacco/alcohol use, poor diet and lack
	creased weight above the recommended
	o a result of poor lifestyle choices The
l	besity reported by adult residents in our
· ·	reports show that childhood obesity is on
	ore than tripled in the past 30 years hat childhood obesit y has both immediate
	mpacts Obese youth are more likely to
have ris k factors for c	ardıovascular disease, such as high
	od pressure The causes of poor nutrition
	niles are well-documented and the link
	nic status and diet firmly established foods are likel y to contain added sugars
	ave and will continue to be associated wit
	mber of people living in poverty on the rise
and the increase dema	and for food stamps, the ability to provide
	and nutrition education will play a key
	Isease Overweight or obesity is also a lopment of Type-2 diabetes Research
	s higher rate of diabetes. Research
	atinos, the Puerto Rican and Mexican
	e highest rates of diabetes. The number of
Latino patients seekin	ig services at Bensalem Co mmunity
	diabetes is increasing In addition to the
	such as lack of insurance, lack of access
to care, low literacy, tr Latinos also must con	ransportation and child-care, many tend with la
j jakinos also must com	Schedule H (Form 990) 2011

Identifier	ReturnReference	Explanation
		nguage, cultural and immigration issues Furthermore, managing diabetes in families with i ncomes below the poverty level is associated with a twofold higher mortality rate in compa rison to families with the highest incomes. The ability to bridge these socioeconomic barriers to care is key to improving the health of this population.

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Schedule I

(Form 990)

Internal Revenue Service

Name of the organization

DLN: 93493320018052 OMB No 1545-0047

Department of the Treasury

Governments and Individuals in the United States Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22. ► Attach to Form 990

Grants and Other Assistance to Organizations,

Inspection Employer identification number

or Mary Medical Center						23-1913910	
Part I General Inform	ation on Grants and	d Assistance				•	
 Does the organization main the selection criteria used Describe in Part IV the org 	to award the grants or as	sıstance?					√ Yes
Form 990, Part IV	er Assistance to Go /, line 21 for any recip dule I-1 (Form 990) if	ient that received r	nore than \$5,000. Ch	eck this box if no one	recipient receive	d more than \$5,000.	. Use
(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) A mount of non- cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of gra or assistance
See Additional Data Table							
2 Enter total number of section							30
3 Enter total number of other	organizations listed in th	ie line i table				<u> </u>	1

Part III	Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22.
	Use Schedule I-1 (Form 990) if additional space is needed.

(a)Type of grant or assistance	(b)Number of recipients	(c) A mount of cash grant	(d)A mount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance

Part IV Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.

Identifier	Return Reference	Explanation
Procedure for Monitoring Grants in the U S	Part I, Line 2	Schedule I, Part I, Line 2 Validated by need, St Mary Medical Center provides grants and assistance to organizations working to enhance the health of the community. The evaluation process for determining if the grant or assistance is a community benefit program adheres to the Catholic Health Organization's (CHA) guidelines. By CHA standards, a community benefit program must meet at least one of the following criteria. Generate a low or negative margin. Respond to the needs of special populations, such as persons living in poverty and other disenfranchised persons. Supply services or programs that would likely be discontinued if the decision were made on a purely financial basis. Respond to public health needs, and/or involve education or research that improves overall community health. St. Mary Medical Center requires that grants and assistance provided be restricted to the purposed intended in the request for support. St. Mary Medical Center requires a report on the goals accomplished through the grant or assistance.

Software ID: Software Version:

EIN: 23-1913910

Name: St Mary Medical Center

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) A mount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Bucks County Health Improvement Partnership (BCHIP) 828 C Newtown- Yardley Rd -Suite 200 Newtown, PA 18940		501(c)(3)	141,250	54,245	FMV	Medications for the BCHIP Adult Health Clinic for low income	Support for Operations of adult primary care clinic for the uninsured, low income
Global Health Ministry 3805 West Chester Pike Newtown Square, PA 19073	23- 3068656	501(c)(3)	80,000	27,553	FMV	Medications for Global health ministry trip to Haiti, Peru and other mission	

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) A mount of cash grant	(e) A mount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
VITA Education Services8 Court Street Doylestown, PA 18901	23- 1977810	1 501(6)(3)	53,100		FMV		Funding to provide English language instruction to adults in Bucks County
Family Service Association4 Corner Stone Drive Langhorne, PA 19047	23- 1427224	1 501761731	50,000		FMV		Eviction prevention program for low income families

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) A mount of cash grant	(e) A mount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
YWCA2425 Trevose Road Trevose,PA 19053	23- 1429832	501(c)(3)	45,000		FMV		Support for family centers in low income neighborhoods
Healthlink Medical Center1775 Street Road Southampton, PA 18966	23- 2998708	501(c)(3)	45,000		FMV		Provide support for free clinic for low income adults

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) A mount of cash grant	(e) A mount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Sister of St Francis 609 South Convent Road Aston,PA 19014	16- 1009410	501(c)(3)	35,000		FM∨		Capital Campaign Pledge
NOVA2370 York Road Suite B1 Jamison, PA 18929	23- 7438387	501(c)(3)	30,750		FM∨		Partnership to provide services for sexually abused children

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) A mount of cash grant	(e) A mount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Child Home and Community144 Wood Street Doylestown, PA 18901	23- 2131650	501(6)(3)	30,000		FMV		Assist at risk pregnant teenagers
A Women's Place PO Box 299 Doylestown, PA 18901	23- 2034180	501(6)(3)	30,000		FMV		Support for domestic violence counselor in hospitals

							1
(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) A mount of cash grant	(e) A mount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
St Andrew Home and School51 Wrights Road Newtown, PA 18940	23- 1421928	1 501(6)(3)	25,000		FMV		Support for new technology and youth programs
Sunday Breakfast Rescue Mission302 N 13th Street Philadelphia, PA 19107	23- 1352558	501(6)(3)	25,000		FMV		I dentify individuals who are homeless or at risk of being homeless

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) A mount of cash grant	(e) A mount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Welcoming the StrangerPO Box 1156 Langhorne,PA 19047	26- 2557961	501(c)(3)	21,000		FMV		Sponsor for US citizenship classes
Lower Bucks Center for Church901 E Luzerne Street Philadelphia, PA 19124	23- 2613602	501(c)(3)	20,000		FMV		Help prevent homelessness in Bucks County

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) A mount of cash grant	(e) A mount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Gilda's Club Capital Region j200 Kirk Road Warminster, PA 18974	14- 1818645	501(c)(3)	19,500		FMV		Partnership to provide cancer center services at St Mary
St Bede the Venerable Church 1071 Holland Road Holland,PA 18966	23- 1662125	501(c)(3)	15,000		FMV		Provide education programs for parish nurses in Bucks County

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) A mount of cash grant	(e) A mount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Middletown Community FoundationPO Box 1128 Langhorne,PA 19047	23- 3053111	501(c)(3)	10,900		FMV		Provide support to EMS agencies
Family YMCA of Lower Bucks601 S Oxford Vally Road Fairless Hills, PA 19030	23- 1433890	1 501(6)(3)	10,100		FMV		Support for Youth Development, healthy living and social responsibility

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) A mount of cash grant	(e) A mount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
United Way of Bucks County413 Hood Blvd Fairless Hills,PA 19030	23- 1409706	501(c)(3)	10,000		FMV		Help prevent homelessness in Bucks County
Bucks County Community Women's Center 120 Dispatch Drive Washington Crossing, PA	27- 3405958	501(c)(3)	7,650		FMV		Provide support for pregnant women in need

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) A mount of cash grant	(e) A mount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
League of Women Votes Education Foundation co Shirly Hart350 South River Road New Hope, PA 18938	53- 0239013		7,500		FMV		Promoting childrens health in Bucks County
A merican Cancer Society700 Horizon Cirlcle Suite 201 Chalfont, PA 18914	25- 1798733	501(c)(3)	6,000		FMV		Support for education and outreach programs for cancer patients and families

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) A mount of cash grant	(e) A mount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Bucks County Housing Group2324 Second Street Pike Suite 17 Wrightstown, PA 18940	23- 1878791	501(c)(3)	233,649		FMV		Funding for transitional apartments and furniture for family resourse center homeless shelter units
Delaware Vally Stroke Council1528 Walnut Street Suite 903 Philadelphia, PA	23- 2837915	501(c)(3)	5,350		FMV		Sponsor For stroke 5k walk/run

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) A mount of cash grant	(e) A mount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
American Red Cross 1909 New Rodgers Road Levittown, PA 19056	53- 0196605	501(c)(3)	5,000		FMV		Homeless shelter nutrition initiative for children
Ronald Mcdonald House Charities200 S Broad Street Philadelphia, PA 19102	23- 7377505	501(c)(3)	5,000		FMV		Health and wellbeing of children

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) A mount of cash grant	(e) A mount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
The Links Foundation Inc23 Overlook Drive Chalfont, PA 18914	52- 1170830	501(c)(3)	5,000		FMV		Provide education programs for teens to reduce at risk behaviors
American Red Cross LBCC1909 Veterans Highway Levittown, PA 19056	23- 1501160	501(c)(3)	5,000		FMV		Support the homeless shelter

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) A mount of cash grant	(e) A mount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Lance Armstrong FoundationPO Box 6002 Albert Lea, MN 56007	20- 4232365	501(c)(3)	5,000		FMV		Support for cancer survivors
Brians Harley Davidson600 S Flowe Mills Road Langhorne, PA 19047	23- 2340576	501(c)(3)	5,000		FMV		Support for Muscular Distrophy Association

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) A mount of cash grant	(e) A mount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
ERA of Lower Bucks8525 New Falls Road Levittown,PA 19054	23- 7296756	501(c)(3)	5,000		FMV		Provide meals for the homeless

DLN: 93493320018052

Employer identification number

OMB No 1545-0047

Schedule J (Form 990)

Department of the Treasury Internal Revenue Service

Name of the organization

Compensation Information For certain Officers, Directors, Trustees, Key Employees, and Highest

Compensated Employees ► Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

► Attach to Form 990. ► See separate instructions.

Open to Public Inspection

SUR	mary medical Center		23-1913910			
Pa	art I Questions Regarding Compensation					
			r		Yes	Νo
1a	Check the appropriate box(es) if the organization provider 990, Part VII, Section A, line 1a Complete Part III to p					
	First-class or charter travel	Housing allowance or residence for	-			
	Travel for companions	Payments for business use of person	•			
	Tax idemnification and gross-up payments	Health or social club dues or initiati				
	☐ Discretionary spending account	Personal services (e g , maid, chaut	ffeur, chef)			
b	If any of the boxes in line 1a are checked, did the organizerimbursement orprovision of all the expenses described		•	1b		
2	Did the organization require substantiation prior to reimb officers, directors, trustees, and the CEO/Executive Dire			2		
3	Indicate which, if any, of the following the organization us organization's CEO/Executive Director Check all that a	pply	<u> </u>			
	Compensation committee Independent compensation consultant	✓ Written employment contract✓ Compensation survey or study				
	Form 990 of other organizations	Approval by the board or compensa	tion committee			
4	During the year, did any person listed in Form 990, Part or a related organization	VII, Section A, line 1a with respect to t	he filing organization			
а	Receive a severance payment or change-of-control payn	ment?		4a	Yes	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?					
c	Participate in, or receive payment from, an equity-based	l compensation arrangement?		4c		Νo
	If "Yes" to any of lines 4a-c, list the persons and provide	e the applicable amounts for each item i	n Part III			
5	Only 501(c)(3) and 501(c)(4) organizations only must on For persons listed in form 990, Part VII, Section A, line compensation contingent on the revenues of		ny			
а	The organization?			5a		Νo
b	Any related organization?			5b		Νo
	If "Yes," to line 5a or 5b, describe in Part III					
6	For persons listed in form 990, Part VII, Section A, line compensation contingent on the net earnings of	1a, did the organization pay or accrue a	ny			
а	The organization?			6a		No
b	Any related organization?			6b		No
	If "Yes," to line 6a or 6b, describe in Part III					
7	For persons listed in Form 990, Part VII, Section A, line payments not described in lines 5 and 6? If "Yes," descr		n-fixed	7		No
8	Were any amounts reported in Form 990, Part VII, paid of subject to the initial contract exception described in Regin Part III			8		No
9	If "Yes" to line 8, did the organization also follow the reb	outtable presumption procedure describe	d in Regulations			

section 53 4958-6(c)?

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

Note. The sum of columns (B)(I)-(III) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, columns (D) and (E) for that individual

(A) Name		(B) Breakdown of	W-2 and/or 1099-MI	SC compensation	(C) Retirement and	(D) Nontaxable	(E) Total of columns	(F) Compensation
		(i) Base compensation	(ii) Bonus & ıncentive compensation	(iii) Other reportable compensation	other deferred compensation	benefits	(B)(ı)-(D)	reported in prior Form 990 or Form 990-EZ
(1) Greg Wozniak	(ı) (ıı)	426,870 0	168,080 0	101,732 0	11,025 0	30,315 0	738,022 0	
(2) Gaıl Kosyla	(ı) (ıı)	300,618 0	58,654 0	2,485 0	51,783 0	7,469 0	421,009 0	
(3) Catherine Mikus	(ı) (ıı)	0 150,915	0 0	0 285	0 3,830	0 15,153	0 170,183	
(4) Joseph Conroy MD	(ı) (ıı)	256,379 0	40,839 0	3,691 0	40,968 0	15,982 0	357,859 0	
(5) Mark Nessel	(ı) (ıı)	234,402 0	55,554 0	820 0	30,642 0	19,463 0	340,881 0	
(6) Audrey Jadczak	(ı) (ıı)	236,456 0	30,937 0	3,200 0	30,971 0	9,979 0	311,543 0	
(7) Marıan Moran	(ı) (ıı)	196,780 0	30,705 0	1,609 0	32,131 0	4,137 0	265,362 0	
(8) Mary Sweeney	(I) (II)	198,589 0	27,633 0	1,570 0	27,616 0	9,037 0	264,445 0	
(9) Suzanne Monte	(ı) (ıı)	201,002 0	22,924 0	2,377 0	25,252 0	14,803 0	266,358 0	
(10) Sharon Hopkins	(ı) (ıı)	204,646 0	20,604 0	777 0	13,160 0	10,654 0	249,841 0	
(11) Terrı Rıvera	(ı) (ıı)	170,516 0	24,436 0	3,118 0	42,238 0	7,989 0	248,297 0	
(12) Patrick Knaus	(ı) (ıı)	0	45,125 0	196,755 0	0	9,988 0	251,868 0	

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8 Also complete this part for any additional information

Identifier	Return Reference	Explanation
		Part I, Line 3 St Mary Medical Center relied on a related organization that used one or more of the methods described below to establish the top management official's compensation - Compensation committee - Independent compensation committee - Written employment contract - Compensation survey or study - Approval by the board or compensation committee
	Part I, Lines 4a-b	Patrick Knauss was paid a severence of \$196,755 in 2011
	4a-b	Part I, Lines 4a-b St Mary Medical Center has a flexible benefit executive package where credits are made on the participants behalf according to the plan schedule A majority of the current participants are not vested as of 12/31/11 and payments in 2011 totaled \$23,621 Supplemental Accumulation Account Joseph Conroy- \$33,511 Suzanne Monte- \$17,998 Mary Sweeney- \$22,841 Sharon Hopkins- \$8,176 Mark Nessel- \$29,442 Gail Kosyla- \$38,692 Greg Wozniak- \$95,437 Terri Rivera- \$20,199
Supplemental Information	Part III	

Schedule K (Form 990)

Supplemental Information on Tax Exempt Bonds

OMB No 1545-0047

DLN: 93493320018052

Open to Public Inspection

Department of the Treasury Internal Revenue Service

► Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990). ► Attach to Form 990. ► See separate instructions.

Employer identification number

23-1913910

Name of the organization						
St Mary Medical	Center					

										23-191	3910			
Pa	rt I Bond Issues													
	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue P	^o rice	(f) Description	on of Purpose	(g) De	efeased	Beha	On alf of suer		Pool ncing
					<u> </u>				Yes	No	Yes	No	Yes	No
A	St Mary Hospital Authority	22-1913910	85230MBG8	12-14-2004	60,748	8,094 N	ew Money Proj	ect	x			X		х
В	St Mary Hospital Authority	22-1913910	85230MBH6	04-19-2007	49,350		efunding of Ser 2/14/04	nes 2004B	х			Х		Х
c	St Mary Hospital Authority	22-1913910	85230MBM5	03-19-2009	33,804	4 / / 4	efunding & Teri ntegrated SWAF			х		X		Х
D _	St Mary Hospital Authority	22-1913910	85230MCA0	04-07-2010	76,951	1 048 1	efunding & New roject	v Money		Х		Х		Х
Pai	rt III Proceeds													
						A		В		С			D	
1	Amount of bonds retired					4,320,0	000	110,000			585,000) <u> </u>	2	,923,310
2	Amount of bonds defeased					49,755,0	000	45,255,000				T		
3	Total proceeds of issue					60,748,0)94	49,350,000		33,8	804,223	3	76	,951,048
4	Gross proceeds in reserve fu	nds				5,564,2	252							
5	Capitalized interest from proc	ceeds										 		
6	Proceeds in refunding escrow	N			1	-		48,398,915				†		
7 Issuance costs from proceeds				708,1	179	411,085			540,303	<u>;</u>		930,163		
8	Credit enhancement from pro	oceeds										+		
9	Working capital expenditures	s from proceeds			+							†		
10	Capital expenditures from pro	oceeds				54,475,6	563					†	48	,138,523
11	O ther spent proceeds				+	-				33,	263,920	,†		,882,360
12	O ther unspent proceeds											†		
13	Year of substantial completio	on			20	007						-1		
					Yes	No	Yes	No	Yes		No	Yes	s	No
14	Were the bonds issued as par	rt of a current refun-	ding issue?			Х		Х	Х			Х		
15	Were the bonds issued as par	rt of an advance ref	unding issue?			Х	X				Χ			X
16	Has the final allocation of pro	oceeds been made?			Х		Х		Х					X
17	Does the organization mainta allocation of proceeds?		and records to sup	port the final	X		х		×			X		
Par	t IIII Private Business l	Use												
1					/	Α		В	1	С			D	,

		A		В		С		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		Х		Х		×		Х
2	Are there any lease arrangements that may result in private business use of bond-financed property?		Х		X		X		Х

Par	Private Business Use (Continued)									
			Į.			3		С		D
			Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private use?	business	Х		Х		Х		Х	
b	b If 'Yes' to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?				x		×		х	
С	Are there any research agreements that may result in private business us financed property?	e of bond-	Х		х		x		х	
d	If 'Yes' to line 3c, does the organization routinely engage bond counsel or counsel to review any research agreements relating to the financed proper		х		×		х		Х	
4	Enter the percentage of financed property used in a private business use to other than a section 501(c)(3) organization or a state or local government									1
5	Enter the percentage of financed property used in a private business use a unrelated trade or business activity carried on by your organization, anoth 501(c)(3) organization, or a state or local government									
6	Total of lines 4 and 5									
7	Has the organization adopted management practices and procedures to er post-issuance compliance of its tax-exempt bond liabilities?	nsure the	X		x		×		х	
Par	t IV Arbitrage				•		•			•
		Α			В		c		D	
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the	Yes	No	Yes	No	`	'es	No	Yes	No
	bond issue?		Х		X			X		X
2	Is the bond issue a variable rate issue?		X		X			х		X
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		х	х				х		Х
b	Name of provider		1	Merill Lyr Capital	nch		1			
С	Term of hedge				000000000	00				
d	Was the hedge superintegrated?				х					
e	Was a hedge terminated?				×					
4a	Were gross proceeds invested in a GIC?	×			Х			Х		Х
b	Name of provider	AIG Matched	Funding		I		-			
	Term of GIC	1 8000	0000000							
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?	х								
5	Were any gross proceeds invested beyond an available temporary period?	Х			x			х		Х
6	Did the bond issue qualify for an exception to rebate?		Х		X			X		Х

Part V Procedures To Undertake Corrective Action

Part VI Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule K (see instructions)

Identifier	Return Reference	Explanation
Schedule K Supplental Information		Schedule K,Part III, Line 3a
Schedule K, Part II, Column C, Line 11		This amount includes \$9,141,670 of proceeds which were used to terminate an integrated swap
Schedule K,Part III, Line 3a		The organization has entered into various management and service contracts as well as research agreements. Collectively, these contracts and agreements do not constitute an amount of private business use that exceeds the prescribed percentage.
Schedule K,Part IV, Col		Proceeds maintained in refunding escrow were invested in yield-restricted investments

OMB No 1545-0047

SCHEDULE 0 (Form 990 or 990-EZ)

Department of the Treasury Internal Revenue Service

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information. ► Attach to Form 990 or 990-EZ.

Supplemental Information to Form 990 or 990-EZ

Name of the organization St Mary Medical Center Employer identification number

ldentifier	Return Reference	Explanation
	Form 990, Part VI, Section A, line 6	Yes, CHE is the sole member
	Form 990, Part VI, Section A, line 7a	Yes, CHE approves the appointment of the members of the governing body
	Form 990, Part VI, Section A, line 7b	CHE has limited reserved powers to approve decisions of the governing body
	Form 990, Part VI, Section B, Inne 11	The form 990 was reviewed by management and then submitted to the Audit and Compliance Committee, Leadership and Competency Committee, and Mission and Ministry Committee of the Medical Center and approved by the SMMC Board of Directors
	Form 990, Part VI, Section B, Iine 12c	Annually, all those serving the organization in a fiduciary capacity, including directors, officers, key employees and those having purchasing authority receive a copy of the policy and annual disclosure statement to be completed. Disclosures of financial interest or other reportable circumstances as defined in the policy are submitted and reviewed by the Organization's Compliance Officer. The policy contains a continuing affirmative obligation on all affected individuals to disclose compensation or other circumstances throughout the year which may rise to the level of an actual or apparent conflict. The determination of whether a disclosed financial or other interest constitutes a conflict-of-interest is made by the Compliance Officer. In consideration of a proposed transaction in which a conflict-of-interest has been identified, the CEO or Chairperson of the Board may, if deemed appropriate, appoint a dis-interested person or committee to investigate alternatives to the proposed transaction. Lastly, the policy addresses potential disciplinary action for violations of the policy. The policy is available to the public upon request.
	Form 990, Part VI, Section B, Iine 15	The board has an independent committee review and approve all elements of remuneration for all disqualified parties, as well as other key management. The Board/Committee has an established compensation philosophy which details the objectives of market positioning and pay elements. The Committee engages with external consultants to provide market data comparing CHE roles to similarly sized health systems utilizing both title and job content comparisons. The Committee reviews the market analysis, approves any salary adjustments for the executive population, considers both reasonableness and effectiveness of all remunerative program and establishes the detailed performance expectations which are incorporated into the incentive plan. All of these discussions and decisions are documented through the provision of meeting minutes. CHE reviews and determines compensation for the Chief Executive Oficer of the Medical Center.
	Form 990, Part VI, Section C, Ine 19	Organizational Articles of Incorporation, Corporate Bylaws, governance policies believed to be of interest to the public, conflict-of-interest policy, annual community benefit report, selective financial data and IRS Form 990 ar available to the public upon request
	Form 990, Part VII, Section A	Individuals compensated by a related organization have responsibilities and perform services for several related organizations including the filing organization. The amount of compensation appearing in Columns (E) and (F) reflect the services performed for this organization and its affiliates
Changes in Net Assets or Fund Balances	Form 990, Part XI, line 5	Equity in Earnings of Unconsolidated Organizations 958,095 Change in Fair Value of Interest rate swaps - 1,093,692 Transfer from Affiliate -199,577 Transfer for Capital Expenditure 8,060,640 Pension Adjustment - 9,686,589 Unrealized Gain/Loss on Trading -1,009,759 Gain/Loss on Extinguishment 7,500 Total to Form 990, Part XI, Line 5 -2,963,382
Explanation of financial statements	Form 990, Part XII, Line 2a & 2b	While the organization does not have individual audited financial statements, its financial statements are included in CHEs consolidating financial statements which are audited annually
	Form 990, Part IX, Line 11a	Management fees represent amounts paid to CHE for centralized administrative services such as information technology, treasury, legal and other shared services. If not for CHEs role in performing these functions, the organization would have had to incur many of these charges directly

efile GRAPHIC print - DO NOT PROCESS | As Filed Data -DLN: 93493320018052 OMB No 1545-0047 **SCHEDULE R Related Organizations and Unrelated Partnerships** (Form 990) ▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37. ► Attach to Form 990. ► See separate instructions. Open to Public Department of the Treasury Inspection Internal Revenue Service **Employer identification number**

St Mary Medica	(a) Name, address, and EIN of disregarded entity Identification of Related Tax-Exempt Orga				23-191391	. 0		
Part I	Identification of Disregarded Entities (Comple	te if the organizatio	on answered "Yes	" on Form 990, Pa	art IV, line 33.)			
	(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)		(e) End-of-year assets	(f) Direct controlling entity		
Part II	Identification of Related Tax-Exempt Organiz or more related tax-exempt organizations during th		ıf the organızatıoı	n answered "Yes"	on Form 990, Pa	art IV, line 34 becaus	se it had	one
		(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	Section 5 cont	g) 12(b)(13 rolled nization
							Yes	No
See Additional	Data Table						+	

Name of the organization

Part III	Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 34
	because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	,	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total Income	(g) Share of end-of- year assets	(h Disprop allocat	rtionate	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j Gener mana partr	ral or iging	(k) Percentage ownership
							Yes	No		Yes	No	
See Additional Data Table												
											, in the second	_

Part IV Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total Income	(g) Share of end-of-year assets	(h) Percentage ownership
See Additional Data Table							

(6)

	Note. Complete line 1 if any entity is listed in Parts II, III or IV	3 3 330, 1 41			Yes	No
1	During the tax year, did the orgranization engage in any of the following transactions with one or more related organ	nizations listed in Parts	s II-IV?		+-	
	Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity			1a	+	No
	Gift, grant, or capital contribution to related organization(s)			1b	+	No
	Gift, grant, or capital contribution from related organization(s)			1c	Yes	
	Loans or loan guarantees to or for related organization(s)			1d	\top	No
	Loans or loan guarantees by related organization(s)			1e		No
f	Sale of assets to related organization(s)			1f	†	No
g	Purchase of assets from related organization(s)			1g	1	No
ŀ	Exchange of assets with related organization(s)			1h		No
i	Lease of facilities, equipment, or other assets to related organization(s)			1i	Yes	
j	Lease of facilities, equipment, or other assets from related organization(s)			1 <u>j</u>	Yes	
k	Performance of services or membership or fundraising solicitations for related organization(s)			1k	Yes	
ı	Performance of services or membership or fundraising solicitations by related organization(s)			11	Yes	
r	n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)			1m	1	No
r	Sharing of paid employees with related organization(s)			1n	Yes	
c	Reimbursement paid to related organization(s) for expenses			10	Yes	
F	Reimbursement paid by related organization(s) for expenses			1 p		No
c	Other transfer of cash or property to related organization(s)			1 q		No
r	O ther transfer of cash or property from related organization(s)			1r	Yes	
2	If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, in	ncluding covered relati	onships and transact	ion thresholds		
	(a)	(b)	(c)	(d)		
	Name of other organization	Transaction type(a-r)	Amount involved	Method of determing involved		ount
	See Additional Data Table					
2)						
3)						
4)				 		
7)						
5)				<u> </u>		
-,						
		•	i .	·		

Part VI Unrelated Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income(related, unrelated, excluded from tax under sections 512- 514)	org	(e) Are all partners section 501(c)(3) janizations?	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		Disproprtionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	Gene man part	j) eral or aging ener?	(k) Percentage ownership
			,	Yes	No			Yes	No		Yes	No			

Schedule R (Form 990) 2011

Part VII Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier Return Reference Explanation

Schedule R (Form 990) 2011

Software ID: Software Version:

EIN: 23-1913910

Name: St Mary Medical Center

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations											
(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c) (3))	(f) Direct Controlling Entity	g Section (b)(1 contro organiza	3) lled				
Catholic Health East											
3805 West Chester Pike Suite 100 Newtown Square, PA 19073 23-2929748	Management Services	PA	501(c) (3)	Line 11a, I	N/A	Yes					
Continuing Care Management Services Network					Catholic Health						
3805 West Chester Pike Suite 100 Newtown Square, PA 19073 35-2336834	Management & Support Services	PA	501(c) (3)	Line 11b, II		Yes					
Mercy Health System of Maine	M 10.5		501/)		Catholic Health Fast						
144 State Street Portland, MA 04101 01-0484074 Mercy Hospital	Management & Support Services	ME	501(c) (3)	III-FI		Yes					
144 State Street Portland, MA 04101 01-0211534	Hospital	ME	501(c) (3)		Mercy Health System of Maine	Yes					
St Peter's Health Partners					Catholic Health						
315 South Manning Blvd Albany, NY 12208 45-3570715 St Peter's Health Care Services	Management & Support Services	NY	501(c) (3)	Line 11b, II	East	Yes					
315 South Manning Blvd	Management & Support	NY	501(c)		St Peter's Health Partners	Yes					
Albany, NY 12208 22-2702507	Services	""	(3)		Treater rateriers						
St Peter's Hospital			F01/-)		St Peter's						
315 South Manning Blvd Albany, NY 12208 14-1348692 St Peter's Hospital Foundation Inc	Hospital	NY	501(c) (3)	Line 3	Services	Yes					
319 South Manning Blvd Suite 309	Fundraising & Public	NY	501(c)	line 7	St Peter's Health Care	Yes					
Albany, NY 12208 22-2262982	Relations		(3)		Services						
Eddy Licensed Home Care Agency			501(c)		LTC(Eddy) Inc						
433 River St Suite 3000 Troy, NY 12180	Home Health	NY	(3)	Line 3	LTC(Eddy) Inc	Yes					
14-1818568 The Community Hospice Foundation											
Inc	Fundraising & Public	NY	501(c)	Line 7	The Community Hospice Inc	Yes					
295 Valley View Blvd Rensselaer, NY 12144	Relations		(3)								
22-2692940 The Community Hospice Inc					St Peter's						
295 Valley View Blvd	Serving seriously ill people & their families	NY	501(c) (3)	Line 3	Health Care Services	Yes					
Rensselaer, NY 12144 14-1608921			. ,								
Villa Mary Immaculate	Nursing Home & Physical	NIV	501(c)		St Peter's						
301 Hackett Blvd Albany, NY 12208	Rehab	NY	(3)	Line 3	Hospital	Yes					
14-1438749 Warde Service Corporation Inc	Cupporting 0 street				St Peter's						
159 Wolf Road 3rd Floor Albany, NY 12205	Supporting & strengthing the ministries of rel sr mercy	NY	501(c) (3)	Line 9	Health Care Services	Yes					
14-1732097 Mercy Care for Kids Inc	incre y						<u> </u>				
310 South Manning Blvd	Day care center	NY	501(c)		St Peter's Health Care	Yes					
Albany, NY 12208 14-1717564	La, care center		(3)	Line	Services						
Our Lady of Mercy Life Center			Fox		St Peter's						
2 Mercycare Lane Guilderland, NY 12084	Nursing Home Facility	NY	501(c) (3)	Line 3	Health Care Services	Yes					
14-1743506 St Peter's Auxiliary	1				C+ D · ·						
315 South Manning Blvd	Auxiliary	NY	501(c)	Line 11a, I	St Peter's Health Care	Yes					
Albany, NY 01228 22-2843206	<u> </u>		(3)		Services	<u> </u>					
Memorial Hospital Albany NY			E01(-)		Northeast						
600 Northern Blvd Albany, NY 12204	General Hospital	NY	501(c) (3)	Line 3		Yes					
14-1338457 Beechwood Inc											
2212 Burdett Ave	Real estate holding	NY	501(c)	N/A	LTC (Eddy) Inc	Yes					
Troy, NY 12180 14-1651563			(2)								
Beverwyck Inc	Independent/Assisted		E01/->		LTC (E 43.)						
40 Autumn Drive Slingerlands, NY 12159	Living Retirement Community	NY	501(c) (3)	Line 9	LTC (Eddy) Inc	Yes					
14-1717028 Capital Region Geriatric Center Inc							<u> </u>				
421 West Columbia St	Nursing Home	NY	501(c)	Line 9	LTC (Eddy) Inc	Yes					
Cohoes, NY 12047 14-1701597			(3)								

Form 990, Schedule R, Part II -	90, Schedule R, Part II - Identification of Related Tax-Exempt Organizations											
(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c) (3))	(f) Direct Controlling Entity	g Section 512 (b)(13) controlled organization						
Senior Care Connection Inc 504 State St Schenectady, NY 12305 14-1708754	PACE Program	NY	501(c) (3)	Line 9	LTC (Eddy)Inc	Yes						
Glen Eddy Inc One Glen Eddy Drive Niskayuna, NY 12309 14-1794150	Independent/Assisted Living Community	NY	501(c) (3)	Line 9	LTC (Eddy) Inc	Yes						
Hawthorne Ridge Inc 30 Community Way East Greenbush, NY 12061 80-0102840	Independent/Assisted Living Retirement Community	NY	501(c) (3)	Line 9	LTC (Eddy)Inc	Yes						
Heritage House Nursing Center Inc 2920 Tibbits Ave Troy, NY 12180 14-1725101	Nursing home	NY	501(c) (3)	Line 9	LTC (Eddy)Inc	Yes						
Home Aid Service of Eastern New York Inc 433 River St Suite 3000 Troy, NY 12180 14-1514867	Home care	NY	501(c) (3)	Line 9	LTC (Eddy)Inc	Yes						
James A Eddy Memorial Geriatric Center Inc 2256 Burdett Ave Troy, NY 12180 22-2570478	Nursing home	NY	501(c) (3)	Line 9	LTC (Eddy)Inc	Yes						
LTC (Eddy) Inc 2212 Burdett Ave Troy, NY 12180 22-2564710	Elderly health/housing supporting org	NY	501(c) (3)	Line 11a, I	Northeast Health Inc	Yes						
The Marjorie Doyle Rockwell Center Inc 421 West Columbia St Cohoes, NY 12047 14-1793885	A dult Home/A lzheımers	NY	501(c) (3)	Line 9	LTC (Eddy)Inc	Yes						
Samaritan Hospital of Troy New York 2215 Burdett Ave Troy, NY 12180 14-1338544	General hospital	NY	501(c) (3)		Northeast Health Inc	Yes						
Shaker Properties Inc 2212 Burdett Ave Troy, NY 12180 22-3119822	Real Estate holding	NY	501(c) (2)	1	Northeast Health Inc	Yes						
Sunnyview Hospital & Rehabilitation Ctr 1270 Belmont Ave Schenectady, NY 12308 14-1338386	Rehabilitation hospital	NY	501(c) (3)	Line 3	LTC (Eddy)Inc	Yes						
Empire Home Infusion Service Inc 10 Blacksmith Drive Malta, NY 12020 14-1795732	Home care	NY	501(c) (3)		Home Aıd Service of Eastern New York Inc	Yes						
Samaritan Child Care Center Inc 2213 Burdett Ave Troy, NY 12180 14-1710225	Child day care	NY	501(c) (3)		Northeast Health Inc	Yes						
The Northeast Health Foundation Inc 2224 Burdett Ave Troy, NY 12180 22-2743478	Supporting foundation	NY	501(c) (3)	1	Northeast Health Inc	Yes						
Northeast Health Inc 2212 Burdett Ave Troy, NY 12180 04-2450756	Supporting Organization	NY	501(c) (3)		St Peter's Health Partners	Yes						
Seton Health System Inc 1300 Massachusetts Avenue Troy, NY 12180 14-1776186	Hospital	NY	501(c) (3)	1	St Peter's Health Partners	Yes						
Seton Auxiliary Inc 1300 Massachusetts Avenue Troy, NY 12180 14-1505031	Supporting Organization	NY	501(c) (3)	1	Seton Health System Inc	Yes						
Seton Health at Schuyler Ridge Residential Healthcare 1 Abele Blvd Clifton Park, NY 12065 14-1756230	Skilled Nursing	NY	501(c) (3)	1	Seton Health System Inc	Yes						
Seton Health Foundation 1300 Massachusetts Avenue Troy, NY 12180 22-2345416	Supporting Organization	NY	501(c) (3)	Line 11a, I	Seton Health System Inc	Yes						
Seton Licensed Home Care Inc 1300 Massachusetts Avenue Troy, NY 12180 14-1809134	Licensed Home Health Agency	NY	501(c) (3)	1	Seton Health System Inc	Yes						

Form 990, Schedule R, Part II - Id	entification of R	elated Tax-	Exempt Orga	anizations	_	,	
(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c) (3))	(f) Direct Controlling Entity	g Section (b)(1 contro organiz	3) lled
Vincentian Health Services 1300 Massachusetts Avenue Troy, NY 12180 14-1685163	Discontinued O perations	NY	501(c) (3)	Line 11a, I	Seton Health System Inc	Yes	
St Mary's Woodland Village Inc 1300 Massachusetts Avenue Troy, NY 12180 14-1675183	Discontinued O perations	NY	501(c) (3)	Line 9	Seton Health System Inc	Yes	
Brightside Inc c/o SPHS 1221 Main Street Suite 108 Holyoke, MA 01040 04-2182395	Behavioral Care	МА	501(c) (3)		Sisters of Providence Health System Inc	Yes	
Farren Care Center Inc c/o SPHS 1221 Main Street Suite 108 Holyoke, MA 01040 04-2501711	Long Term Care	МА	501(c) (3)	Line 3	Sisters of Providence Health System Inc	Yes	
Mercy Hospital Inc c/o SPHS 1221 Main Street Suite 108 Holyoke, MA 01040 04-3398280	A cute Care	MA	501(c) (3)		Sisters of Providence Health System Inc	Yes	
Mercy Specialist Physicians Inc c/o SPHS 1221 Main Street No 108 Holyoke, MA 01040 26-4033168	Neurosurgery Medical Services	МА	501(c) (3)		Sisters of Providence Health System Inc	Yes	
Sisters of Providence Care Centers Inc c/o SPHS 1221 Main Street Suite 108 Holyoke, MA 01040 22-2541103	Long Term Care	МА	501(c) (3)		Sisters of Providence Health System Inc	Yes	
Sisters of Providence Health System Inc c/o SPHS 1221 Main Street Suite 108 Holyoke, MA 01040 04-3398374	Management & Support Services	МА	501(c) (3)	Line 11a, I	Catholic Health East	Yes	
McAuley Center Inc 275 Steele Road West Hartford, CT 06117 06-1058086	Independent Living	СТ	501(c) (3)	Line 9	Mercy Community Health Inc	Yes	
Mercy Community Health Inc 2021 Albany Avenue West Hartford, CT 06117 06-1492707	Management & Support Services	СТ	501(c) (3)	Line 11a, I	Catholic Health East	Yes	
Mercy Community HomeCare Services 2021 Albany Avenue West Hartford, CT 06117 06-1488137	In Home Health Care	СТ	501(c) (3)	Line 9	Mercy Community Health Inc	Yes	
Mercy Services 2021 Albany Avenue West Hartford, CT 06117 06-1453323	Support Services	СТ	501(c) (3)	Line 1	Mercy Community Health Inc	Yes	
Mercyknoll Inc 2021 Albany Avenue West Hartford, CT 06117 06-0757380	Skilled Nursing	СТ	501(c) (3)	Line 3	Mercy Community Health Inc	Yes	
Saint Mary Home II Inc 2021 Albany Avenue West Hartford, CT 06117 06-1164104	Elderly Care	СТ	501(c) (3)	Line 3	Mercy Community Health Inc	Yes	
St Mary Home Incorporated 2021 Albany Avenue West Hartford, CT 06117 06-0646843	Skilled Nursing	СТ	501(c) (3)	Line 3	Mercy Community Health Inc	Yes	
Mercy Healthcare Center 114 Wawbeek Avenue Tupper Lake, NY 12986 15-0532211	Hospital	NY	501(c) (3)	Line 3	Catholic Health East	Yes	
Mercy Uihlein Health Corporation 185 Old Military Road Lake Placid, NY 12946 16-1535133	Hospital	NY	501(c) (3)	Line 11b, II	Mercy Healthcare Center	Yes	
Uihlein Mercy Center 185 Old Military Road Lake Placid, NY 12946 15-0532190	Hospital	NY	501(c) (3)	Line 3	Mercy Healthcare Center	Yes	
St James Mercy Foundation Inc 411 Canisteo Street Hornell, NY 14843 16-1486437	Foundation	NY	501(c) (3)	Line 7	St James Mercy Health System Inc	Yes	
St James Mercy Health System Inc 411 Canisteo Street Hornell, NY 14843 22-3127184	Management & Support Services	NY	501(c) (3)	Line 11b, II	Catholic Health East	Yes	

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations											
(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c) (3))	(f) Direct Controlling Entity	g Section (b)(1 contro organiza	3) lled				
St James Mercy Hospital 411 Canisteo Street Hornell, NY 14843 16-0743310	Hospital	NY	501(c) (3)		St James Mercy Health System Inc	Yes					
Marian Community Hospital	Hospital	PA	501(c) (3)		Maxıs Health System	Yes					
Marian Community Hospital Auxiliary 100 Lincoln Avenue Carbondale, PA 18407 25-1874733	Fundraising	PA	501(c) (3)	Line 11b, II	Maxıs Health System	Yes					
Maxis Foundation 100 Lincoln Avenue Carbondale, PA 18407 23-2330090	Fundraising	РА	501(c) (3)	Line 11b, II	Maxıs Health System	Yes					
Maxis Health System 100 Lincoln Avenue Carbondale, PA 18407 91-1940902	Health Care System	РА	501(c) (3)	Line 11b, II	Catholic Health East	Yes					
Maxis Medical Services 100 Lincoln Avenue Carbondale, PA 18407 23-2577185	Physician Practices	РА	501(c) (3)	Line 3	Maxis Health System	Yes					
Tri-County Human Services Center Inc PO Box 517 Carbondale, PA 18407 23-1938528	Behavioral Health Organization	PA	501(c) (3)		Maxıs Health System	Yes					
Newark, NJ 07102 26-2616342	Inactive Entity	UЭ	501(c) (3)	Line 9	Saint Michaels Medical Center	Yes	_				
Saint Michaels Medical Center 111 Central Avenue Newark, NJ 07102 26-2616046	Hospital	ľ	501(c) (3)	Line 3	Catholic Health East	Yes					
Newark, NJ 07102 26-2616230	Inactive Entity	ĽΝ	501(c) (3)	Line 9	Saint Michaels Medical Center	Yes					
St Michaels Medical Center Foundation 1160 Raymond Boulevard Newark, NJ 07102 22-3311976	Foundation	NЭ	501(c) (3)		Saint Michaels Medical Center	Yes					
University Heights Property Company Inc 1160 Raymond Boulevard Newark, NJ 07102 22-3100162	Medical Property Holding Company	NJ	501(c) (2)	N/A	Saint Michaels Medical Center	Yes					
Life St Francis Corporation 601 Hamilton Avenue Trenton, NJ 08629 22-2797282	Health Services	NJ	501(c) (3)	Line 11a, I	St Francis Medical Center Trenton NJ	Yes					
St Francis Medical Center Foundation NJ 601 Hamilton Avenue Trenton, NJ 08629 52-1025476	Foundation	NJ	501(c) (3)	Line 11a, I	St Francis Medical Center Trenton NJ	Yes					
Trenton, NJ 08629 22-3431049	Hospital	NJ	501(c) (3)	Line 3	Catholic Health East	Yes					
Langhorne, PA 19047 23-2519529	Inactive Entity	РΑ	501(c) (3)		St Mary Medical Center	Yes					
Langhorne Physician Services Inc 1201 Langhorne-Newtown Road Langhorne, PA 19047 23-2571699	Physician Services	РΑ	501(c) (3)		St Mary Medical Center	Yes					
LIFE St Mary 1201 Langhorne-Newtown Road Langhorne, PA 19047 26-2976184	Elderly Care	PA	501(c) (3)		St Mary Medical Center	Yes					
St Mary Medical Center Foundation Inc 1201 Langhorne-Newtown Road Langhorne, PA 19047 23-2567468	Foundation	РА	501(c) (3)			Yes					
East Norriton Physician Services c/o One West Elm Street Conshohocken, PA 19428 23-2515999	Physician Services	PA	501(c) (3)		Mercy Health System of Southeastern Pennsylvania	Yes					

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations											
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O ne West Elm Street Conshohocken, PA 19428	A cute Care Hospital	РА	501(c) (3)	Line 3	Mercy Health System of Southeastern Pennsylvania	Yes					
23-1352191 Mercy Family Support 1001 Baltimore Pike Suite 301 Springfield, PA 19064 23-2325059	Home Health	PA	501(c) (3)	Line 9	Mercy Health System of Southeastern Pennsylvania	Yes					
Mercy Health Foundation of Southeastern Pennsylvania c/o MHS One West Elm Street Conshohocken, PA 19428	Fundraising	PA	501(c) (3)	Line 11b, II	Mercy Health System of Southeastern Pennsylvania	Yes					
Conshohocken, PA 19428 22-2483605	Health Plans	РА	501(c) (3)		Mercy Health System of Southeastern Pennsylvania	Yes					
	Management & Support Services	РА	501(c) (3)	Line 11b, II	Catholic Health East	Yes					
Mercy Home Health 1001 Baltimore Pike Suite 310 Springfield, PA 19064 23-1352099	Home Health	РА	501(c) (3)	Line 9	Pennsylvanıa	Yes					
Springfield, PA 19064 23-2325058	Home Health	PA	501(c) (3)	Line 11b, II	Mercy Health System of Southeastern Pennsylvania	Yes					
	Physician Practices	РА	501(c) (3)	Line 11b, II	Mercy Health System of Southeastern Pennsylvania	Yes					
Mercy Suburban Hospital One West Elm Street Conshohocken, PA 19428 23-1396763	A cute Care Hospital	PA	501(c) (3)	Line 3	Pennsylvanıa	Yes					
Nazareth Health Care Foundation 2701 Holme Avenue Philadelphia, PA 19152 23-2300951	Fundraising	РА	501(c) (3)	Line 11b, II	Pennsylvanıa	Yes					
Philadelphia, PA 19152 23-2794121	A cute Care Hospital	PA	501(c) (3)	Line 3	Pennsylvanıa	Yes					
I ZBU I HOIME AVENUE	Physician Practices	PA	501(c) (3)	Line 3	Mercy Health System of Southeastern Pennsylvania Mercy Health	Yes					
2601 Holme Avenue	Physician Practices	PA	501(c) (3)	Line 3	System of	Yes					
1900 S Broad Street	Continuing Care Services	РА	501(c) (3)	Line 3	System of Southeastern Pennsylvania	Yes					
Foundation 1900 S Broad Street Philadelphia, PA 19145 23-2415137	Fundraising	РА	501(c) (3)	Line 11b, II	Mercy Health System of Southeastern Pennsylvania	Yes					
Camden, NJ 08108 26-1854750	Elderly Care	tи	501(c) (3)		Our Lady of Lourdes Health Care Services	Yes					
	Supporting Organization	ľΩ	501(c) (3)	Line 11b, II	Care Services	Yes					
	Hospital	ľ	501(c) (3)	Line 3	Our Lady of Lourdes Health Care Services	Yes					
County 218 Sunset Road Willingboro, NJ 08046 22-3612265	Hospital	ľΩ	501(c) (3)	Line 3	Our Lady of Lourdes Health Care Services	Yes					
	Management & Support Services	ĽΩ	501(c) (3)	Line 11b, II	Catholic Health East	Yes					
,	_		_								

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations											
(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c) (3))	(f) Direct Controlling Entity	g Section (b)(1 contro organiza	3) lled				
Our Lady of Lourdes Health Foundation Inc 1600 Haddon Avenue Camden, NJ 08103 22-2351960	Foundation	ΝJ	501(c) (3)	Line 7	Our Lady of Lourdes Health Care Services	Yes					
Our Lady of Lourdes Medical Center	Hospital	NJ	501(c) (3)	Line 3	Our Lady of Lourdes Health Care Services	Yes					
Franciscan Eldercare Corporation PO Box 2500 Wilmington, DE 19805 22-3008680	Eldercare	DE	501(c) (3)	Line 9	St Francis Hospital	Yes					
St Francis Foundation PO Box 2500 Wilmington, DE 19805 51-0374158	Foundation	DE	501(c) (3)	Line 11b, II	St Francis Hospital	Yes					
St Francis Hospital	Hospital	DE	501(c) (3)	Line 3	Catholic Health East	Yes					
LIFE at St Francis Healthcare Inc	Elderly Care	DE	501(c) (3)	Line 3	St Francis Hospital	Yes					
McAuley Ministries McAuley Hall 3333 Fifth Avenue Pittsburgh, PA 15213 94-3436142	Management & Support Services	РΑ	501(c) (3)	Line 9	Pittsburgh Mercy Health System	Yes					
Mercy Jeannette Hospital	Inactive Entity	РΑ	501(c) (3)	Line 9	Pittsburgh Mercy Health System	Yes					
Mercy Life Center Corporation 1200 Reedsdale Street Pittsburgh, PA 15233 25-1604115	Community Treatment	РΑ	501(c) (3)	Line 9	Pittsburgh Mercy Health System	Yes					
Pittsburgh Mercy Health System 3333 5th Avenue Pittsburgh, PA 15213 25-1464211	Management & Support Services	РА	501(c) (3)	Line 11b, II	Catholic Health East	Yes					
Southern Pines, NC 28387 56-0694200	Hospital	NC	501(c) (3)	Line 3	Catholic Health East	Yes					
Life St Joseph of the Pines Inc 100 Gossman Drive Suite B Southern Pines, NC 28387 27-2159847	Healthcare Services	NC	501(c) (3)	Line 3	St Joseph's of the Pines Inc	Yes					
Mercy Senior Care Inc 212 West Third Street PO Box 866 Rome, GA 30162 58-1366508	Community O utreach	GA	501(c) (3)	Line 7	Saint Joseph's Health System Inc	Yes					
Greensboro, GA 30462 26-1720984	Hospital	GA	501(c) (3)	Line 3	Saint Joseph's Health System Inc	Yes					
Atlanta, GA 30342 58-1744848	Management & Support Services	GA	501(c) (3)	Line 11b, II	Catholic Health East	Yes					
Saint Joseph's Mercy Care Services Inc 5673 Peachtree-Dunwoody Road Suite Atlanta, GA 30342 58-1752700	Community O utreach	GA	501(c) (3)	Line 7	Saint Joseph's Health System Inc	Yes					
Atlanta, GA 30342 58-1448522	Fundraising	GA	501(c) (3)	Line 11b, II	Saint Joseph's Health System Inc	Yes					
Atlanta, GA 30342 27-2046353	Real Estate Holding Company	GA	501(c) (3)	Line 11b, II	Saint Joseph's Health System Inc	Yes					
Athens, GA 30606 58-0566223	Hospital	GA	501(c) (3)	Line 3	Catholic Health East	Yes					
St Mary's Foundation Inc 1230 Baxter Street Athens, GA 30606 58-2544232	Fundraising	GA	501(c) (3)	Line 11b, II	St Mary's Health Care System Inc	Yes					

Form 990, Schedule R, Part II - Id	entification of F	Related Tax	-Exempt Org	anizations	T	 1
(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c) (3))	(f) Direct Controlling Entity	g Section 512 (b)(13) controlled organization
St Mary's Highland Hills Inc 1230 Baxter Street	Assisted Living & Retirement	GA	501(c) (3)	Line 3	St Mary's Health Care System Inc	Yes
Athens, GA 30606 02-0576648 St Mary's Medical Group Inc 1230 Baxter Street Athens, GA 30606	Community Hospital / Physician Services	GA	501(c) (3)		St Mary's Health Care System Inc	Yes
26-1858563 Mercy Medical Corporation PO Box 1090 101 Villa Drive	Hospital	AL	501(c) (3)	Line 3	Catholic Health East	Yes
Daphne, AL 36526 63-6002215 Mercy LIFE of Alabama			501(c)		Mercy Medical	
PO Box 1090 101 Villa Drive Daphne, AL 36526 27-3163002 Allegany Franciscan Ministries Inc	Hospital	AL	(3)	Line 3	Corporation	Yes
33920 US Highway 19 North Suite 269 Palm Harbor, FL 34684 58-1492325	Management & Support Services	FL	501(c) (3)	Line 11b, II	Catholic Health East	Yes
St Francis Hospital Inc 33920 US Highway 19 North Suite 269 Palm Harbor, FL 34684 59-0624442	Hospital	FL	501(c) (3)	Line 11a, I	Allegany Franciscan Ministries Inc	Yes
Holy Cross Hospital Inc 4725 North Federal Highway Ft Lauderdale, FL 33308 59-0791028	Hospital	FL	501(c) (3)	Line 3	Catholic Health East	Yes
Holy Cross Long-Term Inc 4725 North Federal Highway Ft Lauderdale, FL 33308 65-0787320	Medical Services	FL	501(c) (3)		Holy Cross Hospital Inc	Yes
Holy Cross Medical Properties Inc 4725 North Federal Highway Ft Lauderdale, FL 33308 65-0666283	Medical Building Real Estate Management	FL	501(c) (2)		Holy Cross Hospital Inc	Yes
Mercy Hospital Foundation Inc 3663 South Miami Avenue Miami, FL 33133 59-1709438	Fundraising	FL	501(c) (3)	Line 7	Mercy Hospital Inc	Yes
Mercy Hospital Inc 3663 South Miami Avenue Miami, FL 33133 59-0791034	Hospital	FL	501(c) (3)	Line 3	Catholic Health East	Yes
Mercy Medical Development Inc 3663 South Miami Avenue Miami, FL 33133 59-2789194	O utpatient Services	FL	501(c) (3)	Line 9	Mercy Hospital Inc	Yes
Mercy Mission Services Inc 3663 South Miami Avenue Miami, FL 33133 65-0435764	Health Care	FL	501(c) (3)	Line 11a, I	Mercy Hospital Inc	Yes
Mercy Outpatient Services Inc DBA Siste Emmanuel Hospital 3663 South Miami Avenue Miami, FL 33133 51-0461511	r Hospital	FL	501(c) (3)	Line 3	Mercy Hospital Inc	Yes
Global Health Ministry 3805 West Chester Pike Suite 100 Newtown Square, PA 19073 23-3068656	Health Care	PA	501(c) (3)	Line 7	Catholic Health East	Yes
VNA Home Health & Hospice 50 Foden Road South Portland, ME 04106 01-0246804	Home Health & Hospice	ME	501(c) (3)		Mercy Health System of Maine	Yes
Providence Place Inc 5 Gamelin Street Holyoke, MA 01040 04-3404084	Retirement Community	МА	501(c) (3)		Sisters of Providence Health System Inc	Yes
Intercoastal Health Systems 3805 West Chester Pike Suite 100 Newtown Square, PA 19073 65-0556413	Management & Support Services	PA	501(c) (3)	Line 11a, I	Catholic Health East	Yes

	hedule R, Par	t III - I		(e)		zations Taxab		(i)	(j	i)	
(a) Name, address, and EIN of related organization	(b) Primary activity	Legal Domicile	Direct Controlling Entity	Predominant income (related, unrelated, excluded from tax under	(f) Share of total Income (\$)	(g) Share of end- of-year assets (\$)	(h) Disproprtionate allocations?	l .	Gen o Mana Parti	eral r agıng	(k) Percentage ownership
St Peter's				sections 512-514)			Yes No	-	Yes	No	
A mbulatory Surgery Center LLC 1375	Surgery	NY	N/A								
Washington Avenue Ste 201 Albany, NY 12206	Surgery		N/A								
46-0463892 Catherine Horan Building											
	Property	MA	N/A								
Street Room 108 Holyoke, MA 01040000 04-2723429 Western	Management										
	O utpatient Medical Services	DE	N/A								
Circle Ste 400 Newport Beach, CA 92660 20-4744663 Central New											
300 Charlotte, NC	Cardiac Program	ľΩ	N/A								
28277 20-8525458 Langhorne MOB Partners											
LP 1201 Langhorne- Newtown Road Langhorne, PA 19047	Investment and operation of a medical building	РА	N/A	Rental	482,622	2,539,187	No		Yes		28 956 %
Langhorne-	Investment and operation of a medical building	PA	St Mary Medical Center	Rental	-208,239	16,887,125	No		Yes		74 520 %
19047 36-4559869 The Ambulatory Surgery Center											
at St Mary LLC 1203 Langhorne- Newton Road Langhorne, PA 19047 23-2871206		РА	St Mary Medical Center	Related	- 2,690,193	3,234,580	No		Yes		51 000 %
Drive Suite	Medicaid Managed Care Organization	РΑ	N/A								
23-2859523 Amerihealth Mercy of											
	PREPAID HEALTH CARE SERVICES	IN	N/A								
East Norriton Medical Associates	Medical Office Building	РА	N/A								
PA 19428 23-2319531 East Norriton Medical											
Associates One West Elm Street Conshohocken, PA 19428	Medical Office Building	PA	N/A								
300 Grant Street	Medicaid & Medicare/Special Needs Managed Care Organization		N/A								
25-1691945 Keystone Mercy Health Plan	Medicaid										
100 Stevens Drive Philadelphia, PA 19113 23-2842344 MercyManor	Medicald Managed Care Organization	PA	N/A								
Partnership PO Box 10086 Toledo, OH 436990086 52-1931012	Nursing Home	PA	N/A								
St Agnes Long Term Intensive Care LLP											
1900 S Broad Street Philadelphia, PA 19145 20-0984882	Long Term Intensive Care	PA	N/A								

Form 990, Schedule R, Part III - Identification of Related Organizations Taxable as a Partnership

Form 990, Sch	edule R, Pa	rt III -	Identifica	tion of Rela	ated Org	janizati	ons Ta	axable	as a Partr	iers	hip	
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	Controlling Entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total Income (\$)	(g) Share of end-of- year assets (\$)	(h) Disprop allocati	ons	(i) Code V-UBI amount on Box 20 of K- 1 (\$)		eral r iging ner?	(k) Percentage ownership
c/o Nazareth	Medical Office Building	PA	N/A									
c/o Nazareth	Medical Office Building	РΑ	N/A									
St Agnes Long Term Intensive Care LLP	Long Term Intensive Care	PA	N/A									
Mount Laurel, NJ 08054 20-2273476	Radiology	NJ	N/A									
	A mbulatory Surgery Center	FL	N/A									
3641 South	O utpatient Medical Services	FL	N/A									

Form 990, Schedule R, F	Part IV - Ident	ification o	f Related Or	ganizatio	ns Taxable as	a Corporatio	n or Trust
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total Income (\$)	(g) Share of end-of-year assets (\$)	(h) Percentage ownership
Samarıtan Medical Office Building Inc 2212 Burdett Avenue Troy, NY 12180 14-1607244	Real Estate	NY	N/A	С			
Affiliated Management Services Corporation Inc 1300 Massachusetts Avenue Troy, NY 12180 14-1668024	Real Estate	NY	N/A	С			
Catherine Horan Building Inc c/o SPHS 1221 Main Street Suite 108 Holyoke, MA 010400000 04-2938180 Diversified Community	Building Management	МА	N/A	С			
Services Inc c/o SPHS 1221 Main Street Suite 108 Holyoke, MA 010400000 04-3128890	Medical Services	МА	N/A	С			
Mercy Inpatient Medical Associates Inc c/o SPHS 1221 Main Street Suite 108 Holyoke, MA 010400000 04-3029829	Medical Services	MA	N/A	С			
Providence Home Care Inc c/o SPHS 1221 Main Street Suite 108 Holyoke, MA 010400000 04-3317426	Health Care Services	МА	N/A	С			
System Coordinated Services Inc c/o SPHS 1221 Main Street Suite 108 Holyoke, MA 010400000 04-2938181	Lab Services	МА	N/A	С			
Physicians Medical Office Building Condominium Trust 1221 Main Street Room 108 Holyoke, MA 010400000 04-6608649	Property Management	МА	N/A	С			
SJM Properties Inc 411 Canisteo Street Hornell, NY 148482104 16-1294991	Property Holdings	NY	N/A	С			
Carbondale Area Physicians' Association PC 100 Lincoln Ave Carbondale, PA 18407 23-2801677	Medical Insurance Contracting	PA	N/A	С			
Carbondale Area Physicians' PHO Inc 100 Lincoln Ave Carbondale, PA 18407 23-2801676	Inactive	РА	N/A	С			
Carbondale Physicians' Services Inc 100 Lincoln Ave Carbondale, PA 18407 23-2365077 Chestnut Risk Services Ltd	Pharmacy	PA	N/A	С			
11 Victoria Street Hamilton BD	Insurance	BD	N/A	С			
LifeCare Physicians PC 601 Hamilton Avenue trenton, NJ 086291986 26-1649038 Multicare Plus Inc	Health Care Services	ĽΝ	N/A	С			
601 Hamilton Avenue Trenton, NJ 086291986 22-3435844	Inactive	ĽΝ	N/A	С			
Langhorne Services II Inc 1201 Langhorne-Newtown Road Langhorne, PA 190470000 25-3795549	General Partner of LMOB Partners, II	PA	St Mary Medical Center	¹C	-24,043	116,790	100 000 %
23-2625981	General Partner of LMOB Partners	РΑ	St Mary Medical Center	·C	-15,014	230,741	100 000 %
AMHP Holdings Corp 200 Stevens Drive Philadelphia, PA 19113 26-1144363	Behavorial Health	РА	N/A	С			
Select Health of South Carolina Inc 4390 Belle Oaks Drive Suite 400 Charleston, SC 29405 57-1032456 Gateway Health Plan Inc	Health Maintenance Organization	SC	N/A	С			
600 Grant Street Pittsburgh, PA 15219 25-1505506	Health Care	РΑ	N/A	С			

Form 990, Schedule R, Part IV - Identification of Related Organizations Taxable as a Corporation or Trust

Form 990, Schedule R, Pa	rt IV - Identifi	cation of R	elated Organ	nizations i	axable as a	Corporation	1 or Trust
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total Income (\$)	(g) Share of end-of-year assets (\$)	(h) Percentage ownership
Gateway Health Plan Inc of Ohio 600 Grant Street Pittsburgh, PA 15219 30-0282076	Health Care	РА	N/A	С			
MCMC Eastwick Inc c/o MHS One West Elm Street Conshohocken, PA 19428 23-2184261	Medical Office Buildings	PA	N/A	С			
Community Behavorial Healthcare Network of PA Inc 8040 Carlson Road Harrisburg, PA 17112 25-1765391	Behavorial Health	РΑ	N/A	С			
Health Management Services Org Inc 500 Grove Street Suite 100 Haddon Heights, NJ 08035 22-3366580	Health Care Billing	NJ	N/A	С			
Jeannette Medical Providers 3805 West Chester Pike Newtown Square, PA 19073 25-1787334	Holding Company	PA	N/A	С			
Jeannette OBGYN Group 1 Inc 3805 West Chester Pike Newtown Square, PA 19073 23-2890748	Holding Company	PA	N/A	С			
Jeannette Primary Care Group 1 Inc 3805 West Chester Pike Newtown Square, PA 19073 23-2890743	Holding Company	РА	N/A	С			
Georgia Health Enterprises LLC 11440 Commerce Park Drive Reston, VA 20191 54-1806329	Healthcare	VA	N/A	С			
St Mary's Highland Hills Village Inc 1660 Jennings Mill Pkly Bogart, GA 30622 58-2276801	Assisted Living	GA	N/A	С			
GHE Physicians PC 3500 Piedmont Road Atlanta, GA 30305 58-2277939	Practice Management	GA	N/A	С			
Nursing Network Inc 4725 North Federal Highway Fort Lauderdale Highwa, FL 333080000 59-1145192	Medical Services	FL	N/A	С			
Mercy Physician Group Inc 3663 South Miami Avenue Miami, FL 33133 20-2970015	Health Care	FL	N/A	С			
Stella Maris Insurance Company Limited PO Box 69 Grand Cayman, Cayman Islands KY1-1102 CJ 98-0078266	Insurance	CJ	N/A	С			
Catholic Health East Senior Services	Senior Services	PA	N/A	С			

Form 990, Schedule R, Part V - Transactions With Related Organizations

	•			
	(a) Name of other organization	(b) Transaction type(a-r)	(c) A mount I nvolved (\$)	(d) Method of determining amount involved
(1)	Mercy Health System	N	256,810	Management services
(2)	Catholic Health East	0	3,291,414	Management services
(3)	Catholic Health East	L	3,740,989	ITSS
(4)	Catholic Health East	0	796,636	CEO Salary & Benefits
(5)	Langhorne MOB Partners LP	К	173,256	Cleaning, electric, janitorial
(6)	Langhorne MOB Partners LP	J	129,760	rental of space
(7)	Langhorne MOB Partners LP II	J	287,546	rental of space
(8)	St Mary Medical Center Foundation	С	5,120,570	capital trasfers
(9)	Langhorne MOB Partners LP II	I	123,996	land lease
(10)	Life St Mary	R	370,558	mgmt fee

Catholic Health East

Consolidated Financial Statements December 31, 2011 and 2010

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Consolidated Statements of Operations and Changes in Net Assets	3–4
Consolidated Statements of Cash Flows	5
Notes to Consolidated Financial Statements	6–39



Report of Independent Auditors

To the Board of Directors Catholic Health East

In our opinion, based on our audits and the reports of other auditors, the accompanying consolidated balance sheets and the related consolidated statements of operations and changes in net assets and cash flows present fairly, in all material respects, the financial position of Catholic Health East and its subsidiaries (the "Company") at December 31, 2011 and 2010, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America These consolidated financial statements are the responsibility of the Company's management Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of certain consolidated entities which statements reflect net assets of \$77,471,000 and \$64,964,000 at December 31, 2011 and 2010, respectively, and excess of revenues over expenses of \$12,508,000 and \$11,338,000 for the years then ended. In addition, we did not audit the financial statements of certain unconsolidated entities which are represented in the following consolidated financial statements for 2011 and 2010 as investments in unconsolidated organizations of \$1,275,608,000 and \$1,160,212,000 as December 31, 2011 and 2010, respectively, and equity in earnings of unconsolidated organizations of \$146,038,000 and \$167,882,000 for the years then ended Those statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for these entities, is based solely on the reports of the other auditors. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits and the reports of other auditors provide a reasonable basis for our opinion

As discussed in Note 2 to the consolidated financial statement, on January 1, 2010 the Company adopted new accounting standards which included guidance regarding the recognition and subsequent accounting for goodwill, and recorded a transitional impairment charge of \$32,625,000

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole. The consolidating information is presented for purposes of additional analysis of the consolidating financial statements rather than to present the financial position, results of operations and cash flows of the individual companies and is not a required part of the consolidated financial statements. Accordingly, we do not express an opinion on the financial positions, results of operations and cash flows of the individual companies.

Punatukruse sopus UP

April 30, 2012

PricewaterhouseCoopers LLP, Two Commerce Square, Suite 1700. 2001 Market Street, Philadelphia, PA 19103 T: (267) .330 3000, F: (267) 330 3300, www.pwc.com/us

	2011	2010
Assets		
Current assets	Φ754 O54	£ 400 700
Cash and cash equivalents	\$751,251	\$426,782
Investments	130,635	78,025
Marketable securities whose use is limited Patient accounts receivable, net of estimated uncollectibles of	12,209	35,342
•	465,386	489,120
\$320,921 and \$329,031 for 2011 and 2010, respectively Collateral received on securities pledged	130,364	35,104
Other accounts receivable	119,132	137,811
Prepaid expenses and inventories Assets held for sale	116,985 27	123,386
		214,724
Total current assets	1,725,989	1,540,294
Marketable securities and investments whose use is limited		
Board-designated funds	363,459	371,095
Trustee-held funds	174,154	211,623
Donor-restricted funds	126,342	72,467
Investments	429,986	408,382
Total marketable securities and investments whose use is limited	1,093,941	1,063,567
Property and equipment, net	2,070,526	1,723,102
Equity investments in managed funds	250,982	286,121
Investments in unconsolidated organizations	1,450,068	1,325,201
Assets held for sale	36,117	161,159
Goodwill	10,470	7,143
Other assets	219,077	129,476
Total assets	\$6,857,170	\$6,236,063
Liabilities and Net Assets		
Current liabilities		
Current portion of long-term debt and capital lease obligations	\$75,258	\$58,306
Portion of variable rate demand obligations classified as current	17,332	29,518
Accounts payable and accrued expenses	647,928	625,432
Collateral due broker on securities pledged	130,364	35,104
Estimated third party payor settlements, net	123,353	79,783
Other	181,614	182,410
Liabilities related to assets held for sale	18,850_	28,307
Total current liabilities	1,194,699	1,038,860
Long-term debt, net	1,534,848	1,669,177
Other liabilities	159,117	143,781
Pension liabilities	438,537	290,536
Insurance liabilities, net of current portion	295,981	303,718
Deferred revenue from entrance fees	92,085	45,679
Total liabilities	3,715,267	3,491,751
Net assets		
Unrestricted	2,954,583	2,584,038
Temporarily restricted	140,614	132,304
Permanently restricted	46,706_	27,970
Total net assets	3,141,903	2,744,312
Total liabilities and net assets	\$6,857,170	\$6,236,063

The accompanying notes are an integral part of the consolidated financial statements

	2011	2010
Unrestricted revenue, gains and other support		
Net patient service revenue	\$4,018,757	\$3,774,570
Other operating revenue, gains and other support	322,693	267,469
Total unrestricted revenue, gains and other support	4,341,450	4,042,039
Expenses		
Salaries, wages and benefits	2,201,788	2,049,423
Medical supplies	579,299	585,859
Purchased services, professional fees and other expenses	968,582	843,273
Depreciation and amortization	183,319	170,354
Interest	61,311	56,301
Insurance	49,620	48,073
Provision for bad debts	249,218	251,643
Total operating expenses	4,293,137	4,004,926
Operating income before losses from St Joseph's Health System	48,313	37,113
Losses from Saint Joseph's Health System	(31,249)	(20,679)
Operating income (including losses from St. Joseph's Health System)	17,064	16,434
Non-operating gains (losses)		
Investment returns, net	9,118	87,900
Equity in gains in earnings of unconsolidated organizations	93,536	163,776
Restructuring expenses and impairment losses	(5,588)	(17,364)
Gain on sale of assets	100,707	334
Unrestricted contribution income - St. Peter's Health Partners	322,947	-
Other non-operating gains	2,626	671
(Loss) gain on extinguishment of debt	(539)	657
Change in fair value of interest rate swaps	(1,232)	(13,036)
Total non-operating gains	521,575	222,938
Excess of revenue over expenses	\$538,639	\$239,372

The accompanying notes are an integral part of the consolidated financial statements

	2011	2010
Unrestricted net assets		
Excess of revenue over expenses	\$538,639	\$239,372
Change in unrealized (losses) gains on available-for-sale securities	(3,638)	4,704
Decrease in pension liability adjustment - consolidated organizations	(143,002)	(37,096)
Decrease in pension liability adjustment - unconsolidated organizations	(30,485)	(8,585)
Cumulative effect of change in accounting principle - goodwill	-	(32,625)
Net assets released from restriction for capital expenditures	35,478	14,967
Other changes	12,080	2,321
Increase in unrestricted net assets before discontinued operations	409,072	183,058
Loss from discontinued operations	(38,527)	(48,046)
Increase in unrestricted net assets	370,545	135,012
Temporarily restricted net assets		
Contributions	24,340	27,250
Investment income	683	3,632
Change in unrealized (losses) gains on investments	(648)	666
Net assets released from restrictions	(42,717)	(28,176)
Temporarily restricted contribution income - St. Peter's Health Partners	33,202	-
Other changes	(6,550)	1,968
Increase in temporarily restricted net assets	8,310	5,340
Permanently restricted net assets		
Contributions	75	585
Net realized and unrealized gains on investments	147	1,300
Permanently restricted contribution income - St Peter's Health Partners	18,670	-
Other changes	(156)	<u>81</u>
Increase in permanently restricted net assets	18,736	1,966
Increase in net assets	397,591	142,318
Net assets		
Beginning of year	2,744,312	2,601,994
End of year	\$3,141,903	\$2,744,312

The accompanying notes are an integral part of the consolidated financial statements

	2011	2010
Cash flows from operating activities	2011	2010
Increase in net assets	\$397,591	\$142,318
Adjustments to reconcile increase (decrease) in net		,
assets to net cash provided by operating activities		
Loss from discontinued operations	38,527	48,046
Cumulative effect of change in accounting principle - goodwill	-	32,625
Contribution income from contributed assets - St Peter's Health Partners	(374,819)	
Pension adjustment, including unconsolidated organizations	173,487	45,681
Loss (gain) on extinguishment of debt	539	(657)
Depreciation and amortization	183,319	170,861
Amortization of deferred entrance fees	(6,309)	(7,047) (34,943)
Net realized gains on investments	(32,497) 23,379	, , ,
Net unrealized losses (gains) on investments Equity in earnings of unconsolidated organizations	(158,028)	(50,917) (189,446)
Provision for bad debts	249,218	252,090
Decrease in market value of interest rate swaps	1,232	11,836
Restricted contributions and investment income received	(25,098)	(33,433)
Gain on sale of assets - primarily from sale of health plan equity interest	(100,707)	-
Cash distributions from health plan equity interests	34,643	14,353
Entrance fees received, net of refunds	1,635	5,346
(Increase) decrease in certain assets and liabilities		
Accounts receivable	(224,608)	(248,617)
Other receivables	36,805	(11,925)
Prepaid expenses, inventories and other assets	(71,781)	31,510
Assets held for sale	(25,475)	(6,604)
Accounts payable, accrued expenses and other current liabilities	14,104	57,441
Third party payables	27,476	14,057
Insurance and other liabilities	23,621	(14,388)
Pension liability	(33,439)	(38,695)
Net cash (used in) provided by operating activities of discontinued operations	(38,527)	1,223
Net cash provided by operating activities	114,288	190,715
Cash flows from investing activities	(216,105)	(207,202)
Additions to property and equipment Cash contributed to St Joseph's / Emory Healthcare Joint Operating Agreement	(57,117)	(207,202)
Cash received from St. Peter's Health Partners transaction	123,441	_
Proceeds from sale of health plan equity interests	194,000	_
Proceeds from sale of assets - Mercy Miami and Mercy Medical	144,000	_
Physician practice acquisitions, net of cash	(10,438)	_
Posted collateral on interest rate swaps	(753)	-
(Increase) decrease in collateral received on securities pledged	(95,260)	12,272
Decrease in investments and marketable securities whose use is limited	132,265	13,340
Net cash provided by investing activities of discontinued operations		(1,363)
Net cash provided by (used in) investing activities	214,033	(182,953)
Cash flows from financing activities		
Proceeds from restricted contributions and investment income received	25,098	33,433
Proceeds from issuance of long-term debt	57,045	441,132
Increase in variable rate demand obligations classified as current	(12,186)	(24,729)
Cost of issuance of long-term debt	(160,060)	(2,900)
Repayments of long-term debt Increase (decrease) in payable under collateral received on securities pledged	(169,069) 95,260	(415,281) (12,272)
Net cash used in financing activities of discontinued operations	93,200	(4,100)
Net cash (used in) provided by financing activities	(3,852)	15,283
Increase in cash and cash equivalents	324,469	23,045
Cash and cash equivalents		,
Beginning of year	426,782	403,737
End of year	\$751,251	\$426,782
Supplemental disclosures of cash flow information		
Interest paid	\$64,066	\$59,757
Non-cash transaction	\$8,777	\$4,640

1. Organization, Mission and Basis of Presentation

Catholic Health East ("CHE", the "System", or the "Company") was incorporated as a Pennsylvania nonprofit corporation on October 1, 1997 CHE is a catholic, multi-facility health system sponsored by nine religious congregations and Hope Ministries Each sponsoring congregation appoints a representative to the Sponsors Council which maintains certain reserve powers, including the election of the CHE Board of Directors CHE serves to carry out the health care ministries of the sponsoring congregations. The mission of CHE is to be a community of persons committed to being a transforming, healing presence within the communities it serves.

The consolidated financial statements of CHE include activities of its Regional Health Corporations ("RHCs") and related component corporations all of which are wholly or majority owned. These RHCs are located throughout eleven states and the healthcare activities provided by these RHCs include, but are not limited to, general acute care hospitals, long-term care facilities, skilled nursing facilities, behavioral health, residential facilities for the elderly, physician services, home health, outpatient surgery, and other services. A list of the name and location of each RHC is provided below.

Mercy Health System of Maine Portland, Maine

Mercy Community Health, Inc West Hartford, Connecticut

St James Mercy Health System, Inc Hornell, New York

Saint Michael's Medical Center Newark, New Jersey

St Mary Medical Center Langhorne, Pennsylvania

Mercy Health System of Southeastern Pennsylvania Conshohocken, Pennsylvania

St Francis Hospital and Affiliates Wilmington, Delaware

St Mary's Health Care System, Inc Athens, Georgia

Mercy Medical Corporation Daphne, Alabama

Holy Cross Hospital, Inc Fort Lauderdale, Florida Sisters of Providence Health System, Inc Springfield, Massachusetts

St Peter's Health Partners Albany, New York

Maxis Health System Carbondale, Pennsylvania

St Francis Medical Center Trenton, New Jersey

Our Lady of Lourdes Health Care Services, Inc Camden, New Jersey

Pittsburgh Mercy Health System, Inc Pittsburgh, Pennsylvania

Saint Joseph of the Pines, Inc Southern Pines, North Carolina

Saint Joseph's Health System, Inc Atlanta, Georgia

Mercy Hospital, Inc Miami, Florida Catholic Health East and certain affiliated nonprofit corporations are generally exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code

CHE and its RHCs also participate in various joint ventures and partnerships, commonly referred to as joint operating agreements. These arrangements enable CHE to provide healthcare services to the broader community through involvement in larger healthcare organizations or systems.

The consolidated financial statements of CHE include the financial information of the RHCs and component corporations, the System's wholly owned captive insurance company, various philanthropic foundations of which the System maintains control, and various other organizations or corporations

2. Summary of Significant Accounting Policies

Basis of Consolidation

The consolidated financial statements include the accounts of all entities of CHE. All significant inter-company balances and transactions have been eliminated.

Use of Estimates

The preparation of these consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make assumptions, estimates, and judgments that affect the amounts reported in the financial statements, including the notes thereto, and related disclosures of commitments and contingencies, if any Management considers critical accounting policies to be those that require more significant judgments and estimates in the preparation of the financial statements including, but not limited to, recognition of net patient service revenue, which includes contractual allowances and provisions for bad debt, estimates for healthcare professional and general liabilities, determination of fair values of certain financial instruments, and assumptions for measurement of pension liabilities. Management relies on historical experience and other assumptions believed to be reasonable relative to the circumstances in making judgments and estimates. Actual results could differ materially from these estimates.

Cash and Cash Equivalents

Cash and cash equivalents include liquid investments with a maturity of three months or less. The carrying value of cash and cash equivalents approximates fair value.

Investments and Investment Income

Investments in marketable equities with readily determinable fair market values and all investments in debt securities are measured at fair value in the consolidated balance sheets. Equity investments in managed funds, private partnerships, and other investments are accounted for under the equity method, which approximates fair value. Realized gains and losses on investments, unrealized gains and losses on trading securities, interest income (net of investment-related expenses), and dividends are included in investment returns, net, as part of non-operating gains and (losses) in the excess of revenue over expenses. Investment income restricted by donors or law is reported as an increase in temporarily or permanently restricted net assets.

The System's investments and marketable securities whose use is limited are invested and managed through the CHE Consolidated Investment Program (the "CIP Program"), and some investments are locally managed by the RHCs Included in these investments are investments in managed funds, private partnerships, and other investments. The income (loss) from these managed funds is included in investment returns, net, in the accompanying consolidated statement of operations and change in net assets

The System classifies all unrestricted investments as trading securities

Investments are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with these securities and the level of uncertainty related to changes in their value, it is at least reasonably possible that changes in risks in the near term could materially affect account balances and the amounts reported in the consolidated balance sheets and statements of operations and change in net assets

Marketable Securities and Investments Whose Use Is Limited

Marketable securities and investments whose use is limited primarily include marketable securities and investments designated by governance for future capital improvements and other purposes, in accordance with agreements with outside parties, by trustees under bond indenture agreements, self-insurance arrangements, and by donor restrictions

Derivative Financial Instruments

The System recognizes all derivative instruments in the balance sheets at fair value. The change in the fair value of derivatives is recognized as a component of excess of revenues over expenses in the consolidated statement of operations for the years ended December 31, 2011 and 2010.

Inventories

Inventory is valued at the lower of cost (first-in, first-out) or market, net of reserves for obsolescence

Assets Held for Sale

CHE has classified certain long-lived assets as assets held for sale in the consolidated balance sheets when the assets have met applicable criteria for this classification. CHE has classified \$36,144,000 and \$375,883,000 as current and long-term assets held for sale at December 31, 2011 and 2010, respectively. The Company has also classified \$18,850,000 and \$28,307,000 at December 31, 2011 and 2010, respectively, as liabilities related to assets held for sale

Property and Equipment

Property and equipment acquisitions are recorded at cost. Depreciation is expensed over the estimated useful life of each class of depreciable assets and is computed using the straight-line method. Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in the depreciation and amortization in the financial statements. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of constructing those assets.

Gifts of long-lived assets such as land, buildings, or equipment are reported as unrestricted support, and are excluded from excess of revenue over expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations

about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service

Goodwill

CHE records as goodwill the excess of purchase price over the fair value of the identifiable net assets acquired. The Company's goodwill and other intangible assets with indefinite lives are not amortized, rather, they are tested for impairment at least annually. The Company's goodwill and other intangible assets with indefinite lives are not amortized, rather, they are tested for impairment, at least annually, through a process wich first evaluates any triggering event associate with an impairment, and, second, an actual measurement of the impairment, if necessitated

Long-Lived Assets

CHE evaluates the carrying value of its long-lived assets for impairment when impairment indicators are identified. In the event that the carrying value of a long-lived asset is not supported by the fair value, the System will recognize an impairment loss for the difference. Fair value is based on the exchange price that would be received for an asset or paid to transfer a liability. The System recognized impairment losses of \$4,571,000 and \$2,906,000 for the years ended December 31, 2011 and 2010, respectively

Investments in Unconsolidated Organizations

Investments in unconsolidated organizations represent CHE investments in joint operating agreements, joint ventures, or partnerships. The equity method is used to account for these investments

Deferred Revenue from Advance Fees

Certain RHCs operate residential facilities for the elderly. Fees paid by residents upon entering into continuing care contracts, net of the portion that is refundable to the resident, are recorded as deferred revenue and amortized to income using the straight-line method over the estimated remaining life expectancy of the resident.

Deferred Debt Issuance Costs

Deferred debt issuance costs included in other assets at December 31, 2011 and 2010, totaling \$18,917,000 and \$21,758,000, respectively, are amortized using the straight-line method over the life of the related debt, which approximates the effective interest method

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the System has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained in perpetuity.

Net Patient Service Revenue

Third-party payors (Medicare, Medicaid, and commercial insurance payors) provide payments to the hospitals at amounts different from their established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounts from established charges, and per diem payments. Net patient service revenue is the estimated amount to be realized for services rendered, including estimated retroactive adjustments. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, as final settlements are determined.

Allowance for Doubtful Accounts

The System records an allowance for doubtful accounts for estimated losses resulting from the unwillingness of patients or failure of payors to make payments for services. The allowance is determined by analyzing historical data and trends. Accounts receivable are written off against the allowance for doubtful accounts when management determines that recovery is unlikely and collection efforts cease.

Charity Care

CHE provides services to all patients regardless of ability to pay. In accordance with the System's policy, a patient is classified as a charity patient based on income eligibility criteria as established by the *Federal Poverty Guidelines*. Charges for services to patients who meet the System's guidelines for charity care are not reflected in the accompanying consolidated financial statements. The charges associated with these services for charity care provided by the System approximate \$446,139,000 and \$465,384,000 in 2011 and 2010, respectively. These amounts do not include the provision for bad debts totaling \$249,218,000 and \$251,643,000 in 2011 and 2010, respectively, which is reflected separately in the consolidated statements of operations. The charges and provisions for bad debts do not include amounts classified as discontinued operations.

Other Operating Revenue

Other revenue is derived from services other than the provision of health care services or coverage to patients or residents. This revenue consists primarily of federal and state grants, unrestricted contributions, rental income, income from health plan operations, support services, parking garages, gift shop income, cafeteria income, maintenance fee income, foundation investment income, and other miscellaneous income.

Non-Operating Gains (Losses)

Non-operating gains (losses) consist primarily of investment returns, which include investment income, dividends, net unrealized gains (losses) on trading securities, and realized gains and losses on trading securities, equity in earnings of unconsolidated organizations, restructuring expenses and impairment losses, losses on extinguishment of debt, contribution income for contributed assets, gains on the sale of assets, and the change in the fair value of interest rate swaps

Excess of Revenue over Expenses

The statement of operations includes the excess of revenue over expenses. Changes in unrestricted net assets which are excluded from excess of revenue over expenses include unrealized gains and losses on available for sale investments of unconsolidated organizations, permanent transfers of assets to and from affiliates for other than goods and services, pension adjustments, the cumulative effect of change in accounting principle, discontinued operations, and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets)

Donor-Restricted Gifts

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net

assets and reported in the statement of operations as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the consolidated financial statements.

Subsequent Events

CHE evaluated the impact of subsequent events through April 30, 2012, representing the date at which the consolidated financial statements were issued. See Note 20 for a discussion of CHE's material subsequent events related to the December 31, 2011 consolidated financial statements.

Adoption of Accounting Pronouncements

Effective January 1, 2010, the Company adopted ASC 958-805, *Business Combinations for Not-for-Profit Entities*, which provides guidance on the accounting for mergers and acquisitions by not-for-profit organizations and includes the recognition and subsequent accounting for goodwill resulting from an acquisition. In accordance with the new accounting standard, the Company recognized \$322,947,000 of unrestricted contribution income in 2011 for the contributed net assets related to the St. Peter's Health Partners transaction described in Note 3. This unrestricted contribution income is included as a component of non-operating gains in the accompanying consolidated statement of operations.

In accordance with ASC 958-805, effective January 1, 2010, goodwill is no longer amortized, but is evaluated and reviewed for impairment at least annually or whenever events or circumstances indicate that the carrying value may not be recoverable. Upon adoption of this guidance, CHE recorded a transitional impairment adjustment of \$32,625,000 related to goodwill recorded from the acquisition of St. Michael's Medical Center in 2008. This adjustment is included as the cumulative effect of a change in accounting principle in the 2010 statement of changes in net assets.

In 2010, the FASB issued ASU 2010-23, *Measuring Charity Care for Disclosure* that requires health care entities to use cost as the measurement basis for charity care disclosures and defines cost as the direct and indirect costs of providing charity care. The Company adopted the guidance on January 1, 2011, and the accompanying notes to the consolidated financial statements reflect the amended disclosure requirements. The cost of caring for charity care patients is disclosed in Note 2. The cost of charity care provided to patients is disclosed in Note 5. This guidance amends disclosure requirements only, therefore, there was no impact to the Company's consolidated financial statements upon adoption.

In 2010, the FASB issued ASU 2010-24, *Presentation of Insurance Claims and Related Insurance Recoveries*, which prohibits the offsetting of conditional or unconditional liabilities with anticipated insurance recoveries from third parties. The Company adopted the new guidance on January 1, 2011. The adoption of this guidance did not have a significant impact on the consolidated financial statements.

In 2011, the FASB issued ASU 2011-07, *Presentation and Disclosure of Patient Service Revenue, the Provision for Bad Debts, and Allowance for Doubtful Accounts* This guidance requires the Company to modify the presentation of its consolidated statement of operations and changes in net assets by reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue. Additionally, the guidance requires enhanced disclosure about the Company's policies for recognizing revenue and assessing bad debts, patient service revenue (net of contractual allowances and discounts), and qualitative and quantitative information about changes in the allowance for doubtful accounts. The Company adopted the guidance on January 1, 2012

Reclassifications

Certain amounts have been reclassified in the prior year's financial statements to conform to the classifications used in the current year

3. Significant Events

St. Peter's Health Partners

On October 1, 2011, St Peter's Health Care Services ("SPHCS"), Northeast Health ("NEH"), and Seton Health ("Seton") contributed their net assets to form St Peter's Health Partners In accordance with applicable accounting guidance on not-for-profit mergers and acquisitions, the Company recorded contribution income of \$374,819,000 reflecting the fair value of the contributed assets of NEH and Seton on the transaction date. Of this amount, \$322,947,000 represents unrestricted net assets and is included as a non-operating gain in the accompanying statement of operations and changes in net assets. Temporarily restricted net assets and permanently restricted net assets of \$33,201,000 and \$18,671,000, respectively, were recorded as restricted contribution income in the accompanying consolidated statement of changes in net assets.

The consolidated statement of operations reflects the activity of NEH and Seton from the date of the transaction (October 1, 2011) to December 31, 2011 No consideration was exchanged for the net assets contributed The fair value of assets, liabilities, and net assets contributed by NEH and Seton at October 1, 2011 were as follows

(in thousands of dollars)	Total NEH & Seton
Assets	
Cash and cash equivalents	\$123,441
Assets limited as to use and investments	147,858
Patient accounts receivable, net	48,331
Property plant and equipment	307,167
Other assets	63,960
Total assets acquired	\$690,757
Liabilities	
Accounts payable and accrued expenses	\$44,927
Estimated amounts due to third party payers	16,094
Long-term debt	118,449
Accrued pension and post retirement benefits	38,438
Other liabilities	98,030_
Total liabilities assumed	315,938
Net Assets	
Unrestricted	322,947
Temporarily restricted	33,201
Permanently restricted	18,671
Total net assets	374,819
Total liabilities and net assets	\$690,757

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A summary of the financial results of NEH and Seton included in the consolidated statement of operations and changes in net assets from the period October 1, 2011 through December 31, 2011 is as follows

(in thousands of dollars)	Total NEH & Seton
Total operating revenues	\$135,025
Total operating expenses	131,417
Operating income	3,608
Non operating gains	4,681
Excess of revenues over expenses	8,289
Net assets released from restriction used for capital purchases Pension adjustment Other changes	373 (6,209) 4,291
Increase in unrestricted net assets	\$6,744

A summary of the financial results of the Company for the years ended December 31, 2011 and 2010, as if the transaction had occurred on January 1, 2010 is as follows (unaudited)

(in thousands of dollars)	CHE 2011	CHE 2010
Total operating revenues	\$4,743,664	\$4,562,475
Total operating expenses	4,683,637	4,517,843
Operating income, before losses from St. Joseph's Health System Losses from Saint Joseph's Health System	60,027 (31,249)	44,632 (20,679)
Operating income (including losses from St Joseph's Health System)	28,778	23,953
Non-operating gains	190,363	237,624
Excess of revenues over expenses	219,141	261,577
Changes in unrestricted net assets Increase in unrestricted net assets before discontinued operations	(120,636) 98,505	(56,461)
Loss from discontinued operations	(38,527)	(48,046)
Increase in unrestricted net assets	\$59,978	\$157,070

St. Joseph's Health System

On December 31, 2011, the Company contributed certain assets and liabilities of St Joseph's Health System to a joint operating company ("JOC") with Emory Healthcare in exchange for a 49% non-controlling ownership interest. The entities contributed to the JOC include St Joseph's Hospital of Atlanta, Saint Joseph's Real Estate Corporation, Saint Joseph's Service Corporation, The Medical Group of Saint Joseph's, Saint Joseph's Translational Research Institute, and the International College of Robotic Surgery. The resulting equity investment of \$142,175,000 is included in investments in unconsolidated organizations in the accompanying consolidated balance sheet. The related operating results are classified separately within operating income.

Mercy Health System of Southeastern Pennsylvania

On November 30, 2011, Mercy SEPA Mercy Health System of Southeastern Pennsylvania sold its equity ownership interests in certain Medicaid managed care organizations to Independence Blue Cross and Blue Cross/Blue Shield of Michigan As consideration for the sale, Mercy Health System received a lump sum cash payment of \$194.0 million and a \$43.0 million pledge to the Mercy Health System Foundation to be paid over a seven (7) year period, which is included in other assets in the accompanying consolidated balance sheet. Mercy Health System recognized a gain on sale of \$94.9 million related to this transaction.

Mercy Hospital, Miami

On May 1, 2011, the Company sold certain entities of Mercy Hospital, Miami to Hospital Corporation of America ("HCA") The entities sold include Mercy Hospital, Sister Emmanuel Hospital for Continuing Care, Mercy Medical Development, and Mercy Physician Group The results of these operations are reflected as discontinued operations in the accompanying statement of operations and changes in net assets Proceeds from the sale were used primarily to satisfy long-term debt obligations of Mercy Hospital, Miami

4. Net Patient Service Revenue

Net patient service revenue from the Medicare and Medicaid programs, exclusive of managed care, accounted for approximately 30 8% and 10 0%, respectively, of total net patient service revenues in 2011, and 31 0% and 9 4%, respectively of total net patient service revenue in 2010 Compliance with laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

Management believes that adequate provision has been made for adjustments that may result from reviews by third-party payors Estimated net settlements related to Medicare and Medicaid, collectively, of \$49,016,000 and \$19,626,000 in 2011 and 2010, respectively, are included as a component of current liabilities in the accompanying consolidated balance sheets. The amounts recorded for these estimated settlements approximate their fair value.

Net patient service revenue includes approximately \$1,948,000 and \$6,077,000 in 2011 and 2010, respectively, related to favorable changes in estimates for prior year cost report reopenings, appeals, and tentative and final cost reports, of which some are still subject to audit, additional reopening, and/or appeals

The following summarizes net patient service revenue for the years ended December 31

(in thousands of dollars)	2011	2010
Gross patient service revenue Less	\$14,750,742	\$14,367,456
Contractual allowances	(10,334,598)	(10,173,412)
Charity care	(446,139)	(465,384)
Other	48,752	45,910
Net patient service revenue	\$4,018,757	\$3,774,570

5. Social Accountability Costs (Unaudited)

In keeping with the mission and purpose of CHE, to carry out the health care ministries of the sponsoring congregations by serving as a community of persons committed to being a transforming, healing presence within the communities it serves, and in particular the needs of the poor, the System strives to maximize the provision of services in its communities and in collaboration with other organizations. A portion of CHE's overall operating expense relates to costs incurred in providing and meeting certain community needs for which CHE is not directly compensated.

A standard reporting and accountability process is utilized throughout CHE to estimate the net cost of these services, referred to as Social Accountability Costs, which provides a basis of accountability and reporting to the communities served for purposes of disclosing the utilization of resources. Costs reported are net of contributions or grants that have been provided to CHE and designated for these purposes.

The information presented below has been calculated and is in presented in accordance with the Catholic Health Association's, *A Guide for Planning and Reporting Community Benefits*, Copyright 2008 Social accountability costs for the years ended December 31 are as follows

(in thousands of dollars)	2011	2010
Cost of care for those who are poor	\$59,389	\$58,378
Cost of community benefit programs	74,085	75,705
Other public programs	9,786	12,186
Unpaid cost of Medicaid programs	79,619	82,557
Social accountability costs	\$222,879	\$228,826
Percentage of operating expenses	4 6%	4 8%
Unpaid cost of Medicare programs	\$197,923	\$181,675

The cost of care of the poor is based on the System's estimated net cost of providing services to those unable to pay. The cost of the community benefit programs reflects the costs to develop and provide programs that are developed and provided to meet special community needs that would not otherwise be available. Volunteer service reflects both internal and external services provided to support patient care activities and community programs. The difference between amounts reimbursed to the System under the Medicare and Medicaid programs and the estimated cost of providing care for these respective programs is reflected as an unpaid cost of the program.

6. Marketable Securities and Investments Whose Use Is Limited and Equity Investments in Managed Funds

The composition of investments at December 31 is as follows

(in thousands of dollars)

	2011	2010
Reported at fair value		
Cash and cash equivalents	\$361,260	\$337,459
Marketable equity securities	466,722	478,433
Marketable debt securities	408,803_	361,042
	1,236,785	1,176,934
Reported under the equity method		
Managed funds	250,982	286,121
	\$1,487,767	\$1,463,055

A portion of CHE's long-term investment assets are held in the CIP Program. The CIP Program is structured under a Program Participation Agreement (the "Agreement") between each participant RHC and CHE. All investments in the CIP Program are professionally managed under the administration of CHE.

Participants' investments held in the CIP Program are assigned a weighted value for the period of time the funds are invested in the CIP Program Investment income from the CIP Program, including interest income, dividends, and realized gains and losses on sales of securities, and unrealized gains and losses are distributed to participants based on their weighted value of investment

The underlying fair value of investments in the CIP Program, which are traded on national exchanges (except for managed funds), is based on the final reported sales price on the last business day of the year. The fair value of investments traded in over-the-counter markets is based on the average of the last recorded bid and asked prices.

CHE participates in a securities lending program wherein some investments are loaned on an overnight basis to various brokers. CHE receives lending fees and earns interest and dividends on the loaned securities. These securities are returnable on demand and are collateralized by cash deposits and U.S. Treasury Obligations. Collateral received is at 100% of the fair value of the securities on loan. CHE is indemnified against borrower default by the financial institution acting as lending agent. At December 31, 2011 and 2010, securities with a fair market value of \$130,634,000 and \$35,104,000, respectively, were loaned under securities lending agreements.

Investment returns, net, is comprised of the following for the years ended December 31

(in thousands of dollars)

	2011	2010
Unrestricted net assets		
Investment returns, net		
Interest and dividends	\$15,537	\$13,637
Net realized gains	16,960	21,991
Net unrealized (losses) gains on investments - trading securities	(23,379)	52,272
	\$9,118	\$87,900
Net change in unrealized (losses) gains on available for sale securities (held by		
unconsolidated organizations)	(\$3,638)	\$4,705
Temporarily restricted net assets		
Other changes in temporarily restricted net assets		
Investment income		
Interest and dividends	\$631	\$1,001
Net realized gains on investments	52	2,631
	\$683	\$3,632
Net unrealized (losses) gains on investments	(\$648)	\$666
Permanently restricted net assets		
Other changes in permanently restricted net assets		
Net realized and unrealized gains on investments	\$147	\$1,300

The following managed fund investments are recorded under the equity method of accounting, which approximates the net asset value per share of the investments as of December 31, 2011

(in thousands of dollars)	Recorded <u>Value</u>	<u>Unfunded</u> <u>Commitments</u>	Commitment Term	Redemption Terms
Fund of Hedge Funds	\$205,019	\$0	n/a	Quarterly, semiannually, or anniversary date
Real Estate	18,544	\$6,987	3-11 years	Redemption permitted upon expiration of commitment term
Private Equity	27,419	\$12,363	4-12 years	Redemption permitted upon expiration of commitment term
Total	\$250,982	:		

7. Fair Value Measurements

The System adheres to applicable accounting guidance for fair value measurements. This guidance defines fair value, establishes a framework for measuring fair value under accounting principles generally accepted in the United States of America and requires certain disclosures about fair value measurements. Fair value is defined under the guidance as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date

As a basis for considering assumptions, the guidance establishes a hierarchical framework for measuring fair value (the fair value hierarchy) as follows

Level 1 Quoted prices in active markets for identical assets

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar instruments, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement

Financial instruments measured at fair value are based on one or more of the three valuation techniques noted in the fair value guidance. The three valuation techniques are as follows

Market approach Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities

Cost approach $\,$ Amount that would be required to replace the service capacity of an asset (i.e., replacement cost)

Income approach Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques and option-pricing models)

The System measures its interest rate swaps at fair market value on a recurring basis. The fair market value of the interest rate swaps is determined based on financial models that consider current and future market interest rates and adjustments for non-performance risk.

Financial instruments at fair value at December 31, 2011 and 2010 are as follows (in thousands of dollars)

,			2011		
	Level 1	Level 2	Level 3	<u>Total</u>	<u>Valuation</u> <u>Technique</u>
Consolidated investment program					
Cash and cash equivalents	\$64,396	\$64,031	\$ -	\$128,427	Market
Marketable equity securities	301,042	3,519	-	304,561	Market
Marketable debt securities	45,992	112,311	-	158,303	Market
Total consolidated investment program	411,430	179,861		591,291	
Locally invested					
Cash and cash equivalents	232,833	_	_	232,833	Market
Marketable equity securities	144,116	18,045	-	162,161	Market
Marketable debt securities	88,524	155,504	6,472	250,500	Market
Total locally invested	465,473	173,549	6,472	645,494	
Total marketable securities and investments					
whose use is limited at fair value	\$876,903	\$353,410	\$6,472	1,236,785	
Managed funds				250,982	
Total marketable securities and investments whose use is limited and managed funds				\$1,487,767	
Derivative financial instruments Interest rate swaps - liability		(\$6,459)			Market

			2010		
	Level 1	<u>Level 2</u>	Level 3	<u>Total</u>	Valuation Technique
Consolidated investment program					
Cash and cash equivalents	\$46,964	\$56,532	\$ -	\$103,496	Market
Marketable equity securities	355,890	1,995	11	357,896	Market
Marketable debt securities	49,655	122,383	-	172,038	Market
Total consolidated investment program	452,509	180,910	11	633,430	
Locally invested					
Cash and cash equivalents	233,963	_	-	233,963	Market
Marketable equity securities	102,691	17,840	6	120,537	Market
Marketable debt securities	64,087	119,553	5,364	189,004	Market
Total locally invested	400,741	137,393	5,370	543,504	
Total marketable securities and investments					
whose use is limited at fair value	\$853,250	\$318,303	\$5,381	1,176,934	
Managed funds				286,121	
Total marketable securities and investments whose use is limited and managed funds				\$1,463,055	
Derivative financial instruments Interest rate swaps - liability		(\$302)			Market

A roll forward of those financial instruments that have been classified by the Company as Level 3 within the fair value hierarchy (defined above) is as follows

Consolidated

2011

(in thousands of dollars)

Fair value December 31

	Investment Program	Locally Invested	Total
Fair value January 1 Purchases Realized gains	\$11 - - - (0)	\$5,370 5,365 431	\$5,381 5,365 431
Unrealized losses Transfers out Sales	(3) (8) 	(597) (2,621) (1,476) ************************************	(600) (2,629) (1,476)
Fair value December 31 (in thousands of dollars)	<u> </u>	\$6,472 2010	\$6,472
(,	Consolidated Investment Program	Locally Invested	Total
Fair value January 1 Purchases	\$345 -	\$5,057 2,436	\$5,402 2,436
Realized gains Unrealized gains	9 -	204 12	213 12
Transfers out Change ın faır value Sales	- - (343)	(2,116) 284 (507)	(2,116) 284 (850)

8. Property and Equipment

The following summarizes property and equipment at December 31

(in thousands of dollars)	2011	2010
Land and improvements	\$133,407	\$105,535
Buildings and improvements	2,312,372	1,918,998
Equipment	1,591,081	1,459,989
	4,036,860	3,484,522
Less Accumulated depreciation and amortization	(2,103,743)	(1,972,386)
	1,933,117	1,512,136
Construction in progress	137,409	210,966
	\$2,070,526	\$1,723,102

At December 31, 2011 and 2010, approximately \$859 2 million and \$633 1 million of property and equipment, net, is pledged as collateral under various loan agreements. Interest cost, net of related interest income, totaling approximately \$3 2 million and \$6 0 million was capitalized to construction in progress during 2011 and 2010, respectively

9. Investments in Unconsolidated Organizations

Catholic Health East has investments in unconsolidated organizations totaling \$1,450,068,000 and \$1,325,201,000 at December 31, 2011 and 2010, respectively Several significant investments, which are accounted for under the equity method, comprise this balance including, but not limited to, the following

BayCare Health System

CHE has a fifty percent interest in BayCare Health System Inc. and Affiliates ("BayCare"), a Florida not-for-profit corporation exempt from state and federal income taxes. BayCare was formed in 1997 pursuant to a Joint Operating Agreement ("JOA") among the not-for-profit, tax-exempt members of the Catholic Health East BayCare Participants, Morton Plant Mease Health Care, Inc, and South Florida Baptist Hospital, Inc. (collectively, the Members). BayCare consists of three community health alliances located in the Tampa Bay area of Florida including St. Joseph's-Baptist Healthcare Hospital, St. Anthony's Health Care, and Morton Plant Mease Health Care with an aggregate of approximately 2,900 acute care beds. CHE has the right to appoint nine of the twenty-one members of the Board of Directors of BayCare. At December 31, 2011 and 2010, CHE's recorded investment in BayCare totaled \$1,138,120,000 and \$1,071,455,000, excluding wholly owned subsidiaries and other beneficial interests.

Catholic Health System, Inc.

CHE has a one-third interest in Catholic Health System, Inc. and Subsidiaries ("CHS") CHS, formed in 1998, is a not-for-profit integrated delivery healthcare system in Western New York jointly sponsored by the Sisters of Mercy, Ascension Health System, the Franciscan Sisters of St. Joseph, and the Diocese of Buffalo. CHE, Ascension Health System, and the Diocese of Buffalo are the corporate members of CHS CHS operates several organizations, the most significant of which are four acute care hospitals located in Buffalo, New York, Mercy Hospital of Buffalo, Kenmore Mercy Hospital, Sisters of Charity Hospital, and St. Joseph Hospital. At December 31, 2011 and 2010, CHE's recorded investment in CHS totaled \$12,914,000 and \$24,523,000, respectively

Emory Healthcare/St. Joseph's Health System

On December 31, 2011, CHE completed a JOA agreement with Emory Healthcare as described in Note 3, and retains a forty-nine percent interest in Emory Healthcare/St Joseph's Health System ("EH/SJHS") EH/SJHS operates several organizations, including two acute care hospitals, St Joseph's Hospital of Atlanta, and John's Creek Hospital At December 31, 2011, CHE's recorded investment in EH/SJHS totaled \$142,175,000

Condensed consolidated balance sheets of BayCare, including wholly owned foundations and other beneficial interests, CHS and EH/SJHS as of December 31 are as follows

(in thousands of dollars)

	Ваус	Baycare		CHS		JHS
	2011	2010	2011	2010	2011	2010
Assets	\$4,014,123	\$3,883,968	\$682,748	\$566,164	\$639,369	NA
Liabilities	\$1,597,252	\$1,600,427	\$639,128	\$487,683	\$313,233	NA
Net assets	\$2,416,871	\$2,283,541	\$43,620	\$78,481	\$326,136	NA

The following amounts have been recognized in the accompanying consolidated statements of operations and changes in net assets related to the investments in BayCare and for the years ended December 31

(ın thousands of dollars)	Baycare		CHS	
	2011	2010	2011	2010
Equity in earnings of unconsolidated				
organizations	\$74,611	\$149,748	\$8,747	\$6,532
Net unrealized losses				
on investments	19	(7)	-	-
Other changes in unrestricted and				
restricted net assets	(7,965)	2,973	(20,356)	(6,379)
	\$66,665	\$152,714	(\$11,609)	\$153

Additionally, certain RHCs have investments in unconsolidated organizations, the most significant of which is an investment in a Medicaid HMO joint venture at Mercy Health System of Southeastern Pennsylvania ("Mercy SEPA") These investments total \$156,859,000 and \$229,223,000 in 2011 and 2010, respectively CHE's proportionate share of the income of these investments was \$74,124,000 and \$32,911,000 for the years ended December 31, 2011 and 2010, respectively

10. Long-Term Debt

At December 31, long-term debt consisted of the following

Revenue Bonds Catholic Health East Health System Revenue Bonds \$1,163,454 \$1,357,914 Various Fixed Rate Series issued from 1998 to 2011, coupon rates ranging from 0.25 to 7.375%, annual principal payments through 2036 \$1,163,454 \$1,357,914 Various Variable Rate Series issued from 1997 to 2008, rates ranging from 0.02% to 0.70%, annual principal payments through 2034 27,740 37,745 Various Variable Rate Series swapped to fixed rating ranging from 0.97% to 1.21%, annual principal payments through 2034 27,740 37,745 Taxable Rate Series issued 1999 with rate of 7.62%, annual principal payments through 2017 4,415 5,070 Cher issues under \$10,000 16,570 2,989 Less amortization and unamortized (discount) premium (275) 1,011 Mortgages payable 16,570 2,989 Less amortization and unamortized (discount) premium 6,657 6,447 Century Health Capital, Inc mortgage payable with rate of 5.47%, monthly principal payment through 2024 6,851 Century Health Capital, Inc mortgage payable with rate of 5.47%, monthly principal payment through May 2021 6,851 PM Morgan/Chase mortgage payable in monthly fixed principal installments of \$56, interest at Libor plus 150 basis points through May 2021 6,856 <	(in thousands of dollars)	2011	2010
Various Fixed Rate Series issued from 1998 to 2011, coupon rates ranging from 2 25% to 7375%, annual principal payments through 2040 \$1,163,454 \$1,357,914 Various Variable Rate Series issued from 1997 to 2008, rates ranging from 0 02% to 070%, annual principal payments through 2036 167,514 171,183 Various Variable Rate Series swapped to fixed rating ranging from 0 97% to 1 21%, annual principal payments through 2034 27,740 37,745 Taxable Rate Series issued 1999 with rate of 7 62%, annual principal payments through 2017 4,415 5,070 Other issues under \$10,000 16,570 2,989 Less amortization and unamortized (discount) premium (275) 1,011 Mortgages payable 5 6,447 Century Health Capital, Inc mortgage payable with rate of 5 47%, monthly principal payment through 2024 - 6,455 Century Health Capital, Inc mortgage payable with rate of 5 47%, monthly principal payment through 2015 6,851 - JP Morgan/Chase mortgage payable in monthly fixed principal installments of \$56, interest at Libor plus 150 basis points through May 2021 6,356 - Rensselaer County Industrial Development Agency, bearing interest at a fixed rate ranging from 4 36% - 5 375% 10,680 - Various HUD insured mortgages (5 56% to 5 64%) payable through January 2027 11,	Revenue bonds Catholia Haalth Fact Health System Revenue Rando		
Various Variable Rate Series swapped to fixed rating ranging from 0 97% to 1 21%, annual principal payments through 2034 27,740 37,745 Taxable Rate Series issued 1999 with rate of 7 62%, annual principal payments through 2017 4,415 5,070 Cother issues under \$10,000 16,570 2,989 Less amortization and unamortized (discount) premium (275) 1,011 Mortgages payable Dormitory Authority of the State of New York mortgage payable with a rate of 6 23%, semi-annual principal payments through 2024 - 6,447 Century Health Capital, Inc mortgage payable with rate of 5 47%, monthly principal payment through to 2015 - 6,851 JP Morgan/Chase mortgage payable in monthly fixed principal installments of \$56, interest at Libor plus 150 basis points through May 2021 6,356 - Rensselaer County Industrial Development Agency and Albany County Industrial Development Agency, bearing interest at a fixed rate ranging from 4 36% - 5 375% 10,680 - Various HUD insured mortgages (5 56% to 5 64%) payable through January 2027 11,986 12,577 Other mortgages and notes payable under \$5,000, individually 4,921 5,633 Notes payable Notes payable due at various dates through 2027, various rates 15,996 1,300 Revolving credit agre	Various Fixed Rate Series issued from 1998 to 2011, coupon rates ranging from 2 25% to 7 375%, annual principal payments through 2040 Various Variable Rate Series issued from 1997 to 2008, rates ranging from 0 02% to	. , ,	. , .
annual principal payments through 2034 Taxable Rate Series issued 1999 with rate of 7 62%, annual principal payments through 2017 Other issues under \$10,000 Less amortization and unamortized (discount) premium Mortgages payable Dormitory Authority of the State of New York mortgage payable with a rate of 6 23%, semi-annual principal payments through 2024 Century Health Capital, Inc mortgage payable with rate of 5 47%, monthly principal payment through to 2015 JP Morgan/Chase mortgage payable in monthly fixed principal installments of \$56, interest at Libor plus 150 basis points through May 2021 Rensselaer County Industrial Development Agency and Albany County Industrial Development Agency, bearing interest at a fixed rate ranging from 4 36% - 5 375% Various HUD insured mortgages (5 56% to 5 64%) payable through January 2027 Other mortgages and notes payable under \$5,000, individually Notes payable North Ridge VA Center, LTD (5 04%), semi-annual principal payments through 2023 Revolving credit agreement, due in 2014 Capital lease obligations payable in various monthly amounts Total long-term debt and obligations under capital leases Less Portion of variable rate demand obligations classified as current 1,363,123 1,577,001 1,363,123 1,571,912 1,581,1000 1,363,123 1,571,912 1,571,912 1,571,913 1,571,911 1,571,911 1,571,911 1,571,912 1,571,912 1,571,913 1,571,911	0.70%, annual principal payments through 2036	167,514	171,183
2017 4,415 5,070 Other issues under \$10,000 16,570 2,989 Less amortization and unamortized (discount) premium (275) 1,011 Mortgages payable Dormitory Authority of the State of New York mortgage payable with a rate of 6 23%, semi-annual principal payments through 2024 56,447 Century Health Capital, Inc mortgage payable with rate of 5 47%, monthly principal payment through to 2015 56,851 JP Morgan/Chase mortgage payable in monthly fixed principal installments of \$56, interest at Libor plus 150 basis points through May 2021 6,356 Rensselaer County Industrial Development Agency and Albany County Industrial Development Agency, bearing interest at a fixed rate ranging from 4 36% - 5 375% 10,680 - Various HUD insured mortgages (5 56% to 5 64%) payable through January 2027 11,986 12,577 Other mortgages and notes payable under \$5,000, individually 4,921 5,633 Notes payable 15,996 1,300 Notes payable due at various dates through 2027, various rates 15,996 1,300 Revolving credit agreement, due in 2014 106,035 52,800 Capital lease obligations payable in various monthly amounts 57,445 58,701 Total long-term debt		27,740	37,745
Century Health Capital, Inc mortgage payable with rate of 5 47%, monthly principal payment through to 2015 JP Morgan/Chase mortgage payable in monthly fixed principal installments of \$56, interest at Libor plus 150 basis points through May 2021 Rensselaer County Industrial Development Agency and Albany County Industrial Development Agency, bearing interest at a fixed rate ranging from 4 36% - 5 375% Various HUD insured mortgages (5 56% to 5 64%) payable through January 2027 Norther Morgay VA Center, LTD (5 04%), semi-annual principal payments through 2027, various rates Notes payable due at various dates through 2027, various rates Capital lease obligations payable in various monthly amounts Total long-term debt and obligations under capital leases Less Portion of variable rate demand obligations classified as current 11,657,001 16,570 16,447 6,447 6,447 6,447 6,447 6,456 - 6,856 - 6,856 - 6,856 - 6,856 - 6,856 - 6,856 - 6,856 - 7 6,856 - 7 6,857 10,680 - 7 11,986 12,577 11,98	, , , , , ,		
Other issues under \$10,00016,5702,989Less amortization and unamortized (discount) premium(275)1,011Mortgages payableDormtory Authority of the State of New York mortgage payable with a rate of 6 23%, semi-annual principal payments through 2024-6,447Century Health Capital, Inc mortgage payable with rate of 5 47%, monthly principal payment through to 2015-6,851JP Morgan/Chase mortgage payable in monthly fixed principal installments of \$56, interest at Libor plus 150 basis points through May 20216,356-Rensselaer County Industrial Development Agency and Albany County Industrial Development Agency, bearing interest at a fixed rate ranging from 4 36% - 5 375%10,680-Various HUD insured mortgages (5 56% to 5 64%) payable through January 202711,98612,577Other mortgages and notes payable under \$5,000, individually4,9215,633Notes payable15,9961,300Notes payable due at various dates through 2027, various rates15,9961,300Revolving credit agreement, due in 2014106,03552,800Capital lease obligations payable in various monthly amounts57,44558,701Total long-term debt and obligations under capital leases1,627,4381,757,001Less Current maturities of long term debt(75,258)(58,306)Less Portion of variable rate demand obligations classified as current(17,332)(29,518)	2017		
Less amortization and unamortized (discount) premium(275)1,011Mortgages payable Dormitory Authority of the State of New York mortgage payable with a rate of 6 23%, semi-annual principal payments through 2024-6,447Century Health Capital, Inc mortgage payable with rate of 5 47%, monthly principal payment through to 2015-6,851JP Morgan/Chase mortgage payable in monthly fixed principal installments of \$56, interest at Libor plus 150 basis points through May 20216,356-Rensselaer County Industrial Development Agency and Albany County Industrial Development Agency, bearing interest at a fixed rate ranging from 4 36% - 5 375%10,680-Various HUD insured mortgages (5 56% to 5 64%) payable through January 202711,98612,577Other mortgages and notes payable under \$5,000, individually4,9215,633Notes payable Notes payable due at various dates through 2027, various rates15,9961,300Notes payable due at various dates through 2027, various rates15,9961,300Revolving credit agreement, due in 2014106,03552,800Capital lease obligations payable in various monthly amounts57,44558,701Total long-term debt and obligations under capital leases1,627,4331,757,001Less Current maturities of long term debt Less Portion of variable rate demand obligations classified as current(17,332)(29,518)		1,363,123	1,571,912
Mortgages payable Dormitory Authority of the State of New York mortgage payable with a rate of 6 23%, semi-annual principal payments through 2024 Century Health Capital, Inc mortgage payable with rate of 5 47%, monthly principal payment through to 2015 JP Morgan/Chase mortgage payable in monthly fixed principal installments of \$56, interest at Libor plus 150 basis points through May 2021 Rensselaer County Industrial Development Agency and Albany County Industrial Development Agency, bearing interest at a fixed rate ranging from 4 36% - 5 375% Various HUD insured mortgages (5 56% to 5 64%) payable through January 2027 Other mortgages and notes payable under \$5,000, individually Notes payable North Ridge VA Center, LTD (5 04%), semi-annual principal payments through 2023 Notes payable due at various dates through 2027, various rates 15,996 1,300 Revolving credit agreement, due in 2014 Capital lease obligations payable in various monthly amounts 75,445 58,701 Total long-term debt and obligations under capital leases 1,627,438 1,757,001 Less Current maturities of long term debt Less Portion of variable rate demand obligations classified as current 1,447 6,447 6,447 6,447 6,455 6,851	Other issues under \$10,000	16,570	2,989
Dormitory Authority of the State of New York mortgage payable with a rate of 6 23%, semi-annual principal payments through 2024 Century Health Capital, Inc. mortgage payable with rate of 5 47%, monthly principal payment through to 2015 JP Morgan/Chase mortgage payable in monthly fixed principal installments of \$56, interest at Libor plus 150 basis points through May 2021 Rensselaer County Industrial Development Agency and Albany County Industrial Development Agency, bearing interest at a fixed rate ranging from 4 36% - 5 375% Various HUD insured mortgages (5 56% to 5 64%) payable through January 2027 Other mortgages and notes payable under \$5,000, individually Notes payable North Ridge VA Center, LTD (5 04%), semi-annual principal payments through 2023 Revolving credit agreement, due in 2014 Capital lease obligations payable in various monthly amounts Total long-term debt and obligations under capital leases Less Current maturities of long term debt Less Portion of variable rate demand obligations classified as current - 6,447 6,447 6,447 6,6851 - 6,	Less amortization and unamortized (discount) premium	(275)	1,011
through to 2015 - 6,851 JP Morgan/Chase mortgage payable in monthly fixed principal installments of \$56, interest at Libor plus 150 basis points through May 2021 6,356 Rensselaer County Industrial Development Agency and Albany County Industrial Development Agency, bearing interest at a fixed rate ranging from 4 36% - 5 375% 10,680 - Various HUD insured mortgages (5 56% to 5 64%) payable through January 2027 11,986 12,577 Other mortgages and notes payable under \$5,000, individually 4,921 5,633 Notes payable North Ridge VA Center, LTD (5 04%), semi-annual principal payments through 2023 34,601 36,780 Notes payable due at various dates through 2027, various rates 15,996 1,300 Revolving credit agreement, due in 2014 106,035 52,800 Capital lease obligations payable in various monthly amounts 57,445 58,701 Total long-term debt and obligations under capital leases 1,627,438 1,757,001 Less Current maturities of long term debt (75,258) (58,306) Less Portion of variable rate demand obligations classified as current (17,332) (29,518)	Dormitory Authority of the State of New York mortgage payable with a rate of 6 23%, semi-	-	6,447
at Libor plus 150 basis points through May 2021 6,356 - Rensselaer County Industrial Development Agency and Albany County Industrial Development Agency, bearing interest at a fixed rate ranging from 4 36% - 5 375% 10,680 - Various HUD insured mortgages (5 56% to 5 64%) payable through January 2027 11,986 12,577 Other mortgages and notes payable under \$5,000, individually 4,921 5,633 Notes payable North Ridge VA Center, LTD (5 04%), semi-annual principal payments through 2023 34,601 36,780 Notes payable due at various dates through 2027, various rates 15,996 1,300 Revolving credit agreement, due in 2014 106,035 52,800 Capital lease obligations payable in various monthly amounts 57,445 58,701 Total long-term debt and obligations under capital leases 1,627,438 1,757,001 Less Current maturities of long term debt (75,258) (58,306) Less Portion of variable rate demand obligations classified as current (17,332) (29,518)		-	6,851
Development Agency, bearing interest at a fixed rate ranging from 4 36% - 5 375% 10,680 - Various HUD insured mortgages (5 56% to 5 64%) payable through January 2027 11,986 12,577 Other mortgages and notes payable under \$5,000, individually 4,921 5,633 Notes payable North Ridge VA Center, LTD (5 04%), semi-annual principal payments through 2023 34,601 36,780 Notes payable due at various dates through 2027, various rates 15,996 1,300 Revolving credit agreement, due in 2014 106,035 52,800 Capital lease obligations payable in various monthly amounts 57,445 58,701 Total long-term debt and obligations under capital leases 1,627,438 1,757,001 Less Current maturities of long term debt (75,258) (58,306) Less Portion of variable rate demand obligations classified as current (17,332) (29,518)		6,356	-
Other mortgages and notes payable under \$5,000, individually Notes payable North Ridge VA Center, LTD (5 04%), semi-annual principal payments through 2023 34,601 36,780 Notes payable due at various dates through 2027, various rates 15,996 1,300 Revolving credit agreement, due in 2014 106,035 52,800 Capital lease obligations payable in various monthly amounts 57,445 58,701 Total long-term debt and obligations under capital leases 1,627,438 1,757,001 Less Current maturities of long term debt (75,258) (58,306) Less Portion of variable rate demand obligations classified as current (17,332) (29,518)	, , , , ,	10,680	-
Notes payable North Ridge VA Center, LTD (5 04%), semi-annual principal payments through 2023 34,601 36,780 Notes payable due at various dates through 2027, various rates 15,996 1,300 Revolving credit agreement, due in 2014 106,035 52,800 Capital lease obligations payable in various monthly amounts 57,445 58,701 Total long-term debt and obligations under capital leases 1,627,438 1,757,001 Less Current maturities of long term debt (75,258) (58,306) Less Portion of variable rate demand obligations classified as current (17,332) (29,518)	Various HUD insured mortgages (5 56% to 5 64%) payable through January 2027	11,986	12,577
North Ridge VA Center, LTD (5 04%), semi-annual principal payments through 2023 34,601 36,780 Notes payable due at various dates through 2027, various rates 15,996 1,300 Revolving credit agreement, due in 2014 106,035 52,800 Capital lease obligations payable in various monthly amounts 57,445 58,701 Total long-term debt and obligations under capital leases 1,627,438 1,757,001 Less Current maturities of long term debt (75,258) (58,306) Less Portion of variable rate demand obligations classified as current (17,332) (29,518)	Other mortgages and notes payable under \$5,000, individually	4,921	5,633
Notes payable due at various dates through 2027, various rates 15,996 1,300 Revolving credit agreement, due in 2014 106,035 52,800 Capital lease obligations payable in various monthly amounts 57,445 58,701 Total long-term debt and obligations under capital leases 1,627,438 1,757,001 Less Current maturities of long term debt (75,258) (58,306) Less Portion of variable rate demand obligations classified as current (17,332) (29,518)	• •		
Revolving credit agreement, due in 2014 Capital lease obligations payable in various monthly amounts Total long-term debt and obligations under capital leases Less Current maturities of long term debt Less Portion of variable rate demand obligations classified as current 106,035 52,800 1,627,438 1,757,001 (58,306) (58,306)		,	'
Capital lease obligations payable in various monthly amounts57,44558,701Total long-term debt and obligations under capital leases1,627,4381,757,001Less Current maturities of long term debt(75,258)(58,306)Less Portion of variable rate demand obligations classified as current(17,332)(29,518)	1,7	,	
Total long-term debt and obligations under capital leases 1,627,438 1,757,001 Less Current maturities of long term debt (75,258) (58,306) Less Portion of variable rate demand obligations classified as current (17,332) (29,518)			•
Less Current maturities of long term debt(75,258)(58,306)Less Portion of variable rate demand obligations classified as current(17,332)(29,518)			
Less Portion of variable rate demand obligations classified as current (17,332) (29,518)			
Total long-term debt \$1,534,848 \$1,669,177		, , ,	,
	Total long-term debt	\$1,534,848	\$1,669,177

Aggregate maturities of long-term debt and capital lease obligations as of December 31, 2011 are shown below

(in thousands of dollars)

2012	\$107,490
2013	79,597
2014	107,149
2015	77,709
2016	78,943
Thereafter	1,176,825
Unamortized discount and imputed interest	(275)
	<u>\$1,627,438</u>

The fair value of the System's long term debt is based on quoted market prices or estimates using discounted cash flow analyses, based on the participating facility's incremental borrowing rates for similar types of borrowing arrangements. The fair value of the System's long-term debt, based on quoted market prices, at December 31, 2011 and 2010 was \$1.54 billion and \$1.61 billion, respectively, compared to the carrying value of \$1.39 billion and \$1.59 billion, respectively. This excludes capital leases, notes payable, and mortgage notes

On December 31, 2011, CHE transferred the outstanding debt of St Joseph's Hospital, including the Series 2007A Revenue Bonds of \$9,900,000, the Series 2009 Revenue Bonds of \$68,970,000, and the Series 2010 Revenue Bonds of \$40,135,000 to the St Joseph's/Emory Healthcare Joint Operating Agreement described in Note 3 Subsequent to the transfer date, the debt is guaranteed by Emory University and is no longer an obligation of the CHE Obligated Group

On June 1, 2011, CHE repaid the outstanding debt of Mercy Hospital, Miami, including the Series 1998 Hospital Revenue Bonds of \$10,000,000, the Series 2002 Hospital Revenue Bonds of \$35,000,000, the Series 2003C Hospital Revenue Bonds of \$14,000,000, the Series 2008 Hospital Revenue Bonds of \$31,900,000, and the Series 2009 Hospital Revenue Bonds of \$29,300,000. The debt was repaid with proceeds from the sale of certain entities of Mercy Hospital, Miami to HCA as described in Note 3.

On February 3, 2011, CHE issued \$34,200,000 of Series 2011 Hospital Revenue Bonds through the City of Albany Capital Resource Corporation The bonds were issued as fixed rate bonds with interest rates ranging from 3 0% to 6 25%. The proceeds of this issue were used for St. Peter's Hospital Master Facilities Plan building and equipment projects, to fund a debt service reserve fund, to pay capitalized interest, and to pay the costs of issuance.

In 2010, CHE issued a tender offer to bondholders of the Series 2007 bonds that were previously issued in New Jersey Of the \$99,600,000 in outstanding bonds, offers totaling \$98,200,000 were accepted, or 98 5% of the total In exchange for the \$98,200,000, CHE issued \$90,000,000 of fixed rate bonds and terminated \$10,400,000 of related interest rate swaps

In 2010, CHE issued \$130,700,000 of Series 2010 Hospital Revenue Bonds through New Jersey Health Care Facilities Financing Authority. The bonds were issued as fixed rate bonds with interest rates ranging from 2 0% to 5 0%. The proceeds of this issue were used to refund and redeem certain of the outstanding Series 1998 and Series 2007 Revenue Bonds previously issued in New

Jersey, and to pay the costs of issuance As part of this transaction, the System recorded a gain on extinguishment totaling \$7,800,000

In 2010, CHE issued \$287,600,000 of Series 2010 Hospital Revenue Bonds through financing authorities in Florida, Connecticut, Georgia, Massachusetts, North Carolina, and Pennsylvania The bonds were issued as fixed rate bonds with interest rates ranging from 2 0% to 5 0%. The proceeds of this issue were used to advance refund and redeem and to pay the costs of issuance of certain outstanding Series 1998 and Series 1999 Revenue bonds issued in Massachusetts, Connecticut, Pennsylvania, New Jersey, North Carolina, Georgia, and Florida, and to finance \$50,000,000 in capital projects for St. Mary Medical Center in Pennsylvania. As part of this transaction, the System recorded a loss on extinguishment totaling \$6,900,000.

Certain CHE constituent corporations are members of the CHE Obligated Group Under the Amended and Restated Master Trust Indenture dated January 1, 1998 and amended and restated as of September 30, 2007, Obligated Group members provide a revenue pledge and are joint and severally liable on all obligations outstanding under the Master Indenture Additionally, the Obligated Group has agreed to comply with certain covenants including the repayment of principal and interest, notification regarding admission or withdrawal of members of the Obligated Group, to deliver financial statements and other related information by specified due dates, to maintain insurance, and to maintain a long-term debt service coverage of at least 1 10 to 1 00

Pursuant to loan agreements between CHE and various RHCs, promissory notes have been executed by each RHC in amounts equal to the amount of proceeds necessary to defease previously existing debt and provide for capital projects

In prior years, CHE advance refunded certain of its bonds which are no longer reflected in the consolidated financial statements since CHE has legally satisfied its obligation through defeasance. Funds are held in an irrevocable escrow with a trustee and are expected to be sufficient to satisfy the obligations.

The CHE revolving credit loan facility was refinanced in 2010. The credit facility is structured through a consortium with five banks and extends through June 9, 2014. The credit facility totals \$200,000,000 with an option to increase the credit facility to \$250,000,000. At December 31, 2011 and 2010, approximately \$43,697,000 and \$37,933,000, respectively, of the total credit facility was obligated for standby letters of credit. Additionally, approximately \$106,035,000 and \$52,800,000 at December 31, 2011 and 2010, respectively, had been borrowed against the total credit facility. Borrowings under this agreement may be repaid at any time and are payable upon termination of the agreement. These borrowings were used to finance various capital projects at several of the RHCs. Use of the credit facility for standby letters of credit is limited to \$100,000,000 of the total credit facility.

Certain of the System's variable rate demand bonds are supported by irrevocable letters of credit with expiration dates in 2013 and 2014 CHE is the guarantor for these letters of credit. The letters of credit and dates of expiration are as follows

RHC	Associated Bond Issue	Expiration
Mercy Medical Corporation	Series 1997	11/1/2013
Mercy Medical Corporation	Series 2000	1/31/2013
St Francis Medical Center	Series 2003	6/15/2013
Mercy Health System of Maine	Series 2006	1/31/2013
St Joseph of the Pines, Inc	Series 2008	4/23/2014

Blended Cost of Debt Program

CHE maintains a Blended Cost of Debt Program (the "Debt Program") to provide a uniform cost of debt for participating RHCs and to mitigate the interest rate risk of an RHC

Under the Debt Program, all debt costs, excluding taxable debt, capitalized leases, and short-term borrowing, are blended. The calculation of the blended costs incorporates bond interest, both fixed and variable, debt-related fees, such as letters of credit, credit enhancement, remarketing, auction, as well as periodic rating agency, bond trustee, master trustee and issuing authority fees, net swap payments/receipts and put/guaranty receipts, along with other miscellaneous fees related to tax-exempt debt issued by CHE and its affiliates

Participants in the Debt Program make periodic payments to CHE Each participant's periodic payment is based on their respective percentage of total indebtedness included in the Debt Program Principal payments are not blended Participants make their scheduled principal payments to CHE in the month they are due

11. Derivative Financial Instruments

CHE has entered into derivative transactions for the purpose of reducing interest rate volatility and to reduce interest expense. CHE has entered into fixed-to-floating interest rate swaps, basis swaps, and fixed-payor swaps.

At December 31, 2011 and 2010, fourteen *basis swap* transactions were outstanding in the CHE Debt Program with notional amounts totaling \$717,000,000 and maturity dates ranging from February 2023 to December 2028. In the basis swap transactions, CHE receives a floating taxable rate and pays a floating tax-exempt rate. CHE has elected not to designate these interest rate swap agreements as hedges for financial reporting purposes.

At December 31, 2011 and 2010, six and four *fixed-to-floating interest rate swap* agreements, respectively, were outstanding in the CHE Debt Program. The fixed-to-floating swaps had notional amounts totaling \$150,000,000 and \$95,000,000 at December 31, 2011 and 2010, respectively, and maturity dates ranging from May 2012 to December 2021. These fixed-to-floating interest rate swap agreements effectively convert a portion of the System's fixed rate debt to a floating rate basis and are not designated as hedges for financial reporting purposes.

At December 31, 2011 and 2010, four and five *fixed-payor interest rate swap* agreements, respectively, were outstanding in the CHE Debt Program. The fixed-payor swaps had notional amounts totaling \$27,700,000 and \$37,800,000 at December 31, 2011 and 2010, respectively, and maturity dates ranging from November 2032 to November 2034. Under these interest rate swap

agreements CHE pays a fixed rate and receives a variable rate. Additionally, the cash flows from these interest rate swap agreements equal the rates on the bonds and therefore effectively convert the debt to a fixed rate. The notional amount of these interest rate swap agreements declines in relation to the annual principal payments on the hedged debt. CHE has elected not to designate these interest rate swap agreements as hedges for financial reporting purposes.

At December 31, 2011 and 2010, seven and two *total return swap* agreements, respectively, were outstanding in the CHE Debt Program. The total return swaps had notional amounts totaling \$104,300,000 and \$54,135,000 at December 31, 2011 and 2010, respectively, and maturity dates ranging from October 2012 to May 2014. Under these swap agreements, CHE receives a fixed rate on the amount corresponding to the par amount of the outstanding bonds, and pays the Securities Industry and Financial Markets Association ("SIFMA") index. CHE has elected not to designate these interest rate swap agreements as hedges for financial reporting purposes.

At December 31, 2011, three *fixed-to-floating interest rate swaps* were outstanding outside the CHE Debt Program with notional amounts totaling \$51,530,000 and maturity dates ranging from November 2013 to August 2032 These fixed-to-floating swaps were not outstanding as of December 31, 2010 In accordance with certain of these swap agreements a collateral account may be required as security for the swap

The fair value of derivative instruments at December 31 is as follows

(ın thousands of dollars)	2011		2010)
	Balance Sheet		Balance Sheet	
	Location	Fair Value	Location	Fair Value
Interest rate contracts				
Basis	Other liabilities	(\$7,295)	Other assets	\$2,872
Fixed-to-floating	Other assets	\$2,619	Other assets	\$1,559
Fixed-payor	Other liabilities	(\$7,196)	Other liabilities	(\$4,627)
Total return	Other assets	\$10,526	Other liabilities	\$ -
Fixed-to-floating, non CHE	Other liabilities	(\$5,113)	Other liabilities	(\$106)

The effects of derivative instruments on the consolidated statements of operations and changes in net assets for 2011 and 2010 are as follows

(in thousands of dollars)

	Location of Gain (Loss) Recognized in Statement of Operations	Amount of Gain (Loss) Recognized in Statemen of Operations	
		2011	2010
Interest rate contracts			
Basis	Change in fair value of interest rate swaps	(\$9,984)	(\$24,894)
Fixed-to-floating	Change in fair value of interest rate swaps	1,058	4,857
Fixed-payor	Change in fair value of interest rate swaps	(2,777)	6,815
Total return	Change in fair value of interest rate swaps	10,526	-
Fixed-to-floating, non CHE	Change in fair value of interest rate swaps	(55)	186
Total		(\$1,232)	(\$13,036)

Certain of CHE's derivative instruments contain credit-risk-related provisions that require CHE and its counterparties to post collateral in varying amounts based on respective credit ratings. If CHE's debt were to fall below investment grade, the counterparties to the derivative instruments would require CHE to post collateral only if the aggregate position of all derivative instruments is negative. Based on CHE's current credit rating, the System was not required to post collateral as of December 31, 2011 or 2010. Locally held derivative instruments (non-CHE) required posted collateral at December 31, 2011 and 2010 in the amount of \$753,000 and \$0, respectively.

12. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the System has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained in perpetuity. Temporarily restricted net assets at December 31 are available for the following purposes.

(in thousands of dollars)	2011	2010
Temporarily restricted net assets		
Education and research	\$5,397	\$7,790
Building and equipment	27,406	48,025
Patient care	16,480	11,162
Cancer Center/research	6,110	1,976
Other	85,221	63,351
	\$140,614	\$132,304

Permanently restricted net assets at December 31 are restricted as follows

(in thousands of dollars)	2011	2010
Permanently restricted net assets		
Investments to be held in perpetuity, the income from which is expendable to support health care services		
(reported as operating income)	\$36,272	\$18,554
Endowments requiring income to be added to the original gift	2,282	2,335
Other	8,152	7,081
	\$46,706	\$27,970

The System classifies the portions of donor-restricted endowment funds of perpetual duration as permanently restricted net assets. Permanently restricted net assets of the System are comprised of a) the original value of gifts donated to the System through a permanent endowment, b) the original value of subsequent gifts to the System through a permanent endowment, and c) accumulations to the permanent endowment in accordance with applicable donor gift instruments. Any portions of donor-restricted endowment funds that are not classified as permanently restricted are appropriated in accordance with donor intent.

The System considers the following factors in determining if donor-restricted endowment funds are accumulated or appropriated

- 1) the duration and preservation of the fund
- 2) the purposes of the System's donor-restricted endowment funds
- 3) general economic conditions
- 4) effect of possible inflation or deflation
- 5) the expected total investment return and appreciation of investments
- 6) other resources of the System
- 7) investment policies of the System

The System's permanently restricted net assets consist of individual endowment accounts. Unless otherwise directed by the donor, gifts received for endowments are invested in accordance with the System's investment policy. Unless otherwise directed by the donor, the System annually appropriates a certain percentage of each endowment fund, which is then available for spending in accordance with the donor's intent. In order to preserve the real value of a donor's gift and to sustain funding consistent with donor intent, the annual appropriation rate is set to strike a reasonable balance between long-term objectives of preserving and growing each endowment fund for the future and providing stable, annual appropriations

The composition of endowment fund net assets, by type of fund, at December 31, 2011 and 2010 are as follows

(in thousands of dollars)

		2011	
		Temporarily	Permanently
	Unrestricted	Restricted	Restricted
Donor-restricted endowment funds	\$ -	\$82,087	\$46,706
Board-designated endowment funds	17,635	809	-
Total endowment funds	\$17,635	\$82,896	\$46,706
		2010	
	•	Temporarily	Permanently
	Unrestricted	Restricted	Restricted
Donor-restricted endowment funds	\$7	\$66,248	\$27,970
Board-designated endowment funds	17,510	1,560	-
Total endowment funds	\$17,517	\$67,808	\$27,970

Changes in the composition of endowment fund net assets as of December 31, 2011 and 2010 are as follows

(in thousands of dollars)

(In thousands of dollars)			
		2011	
	_	Temporarily	Permanently
	Unrestricted	Restricted	Restricted
Endowment fund net assets, beginning of year Investment return	\$17,517	\$67,808	\$27,970
Realized investment income	202	364	945
Unrealized investment losses	(94)	(480)	(768)
Net appreciation	-	`341 [′]	`(30)
Total investment return	108	225	147
Other changes in endowment funds	10	14,863	18,589
Endowment fund net assets, end of year	\$17,635	\$82,896	\$46,706
		2010	
			Permanently
	Unrestricted	2010 Temporarily Restricted	Permanently Restricted
Endowment fund net assets, beginning of year	Unrestricted \$16,914	Temporarily	-
Investment return	\$16,914	Temporarily Restricted \$66,648	Restricted \$26,004
Investment return Realized investment income	\$16,914 175	Temporarily Restricted \$66,648	\$26,004 817
Investment return Realized investment income Unrealized investment income	\$16,914	Temporarily Restricted \$66,648 236 337	\$26,004 \$17 441
Investment return Realized investment income Unrealized investment income Net appreciation	\$16,914 175 323	Temporarily Restricted \$66,648 236 337 642	\$26,004 \$17 441 43
Investment return Realized investment income Unrealized investment income Net appreciation Total investment return	\$16,914 175 323 - 498	Temporarily Restricted \$66,648 236 337 642 1,215	\$26,004 \$26,004 817 441 43 1,301
Investment return Realized investment income Unrealized investment income Net appreciation	\$16,914 175 323	Temporarily Restricted \$66,648 236 337 642	\$26,004 \$17 441 43

13. Insurance

Professional and general liability risk is insured through Stella Maris Insurance Company, Ltd a wholly owned, captive insurance company, commercial insurance and reinsurance companies, and self-insured programs. Excess insurance over self-insured amounts and coverage provided by the captive has been purchased from the commercial insurance and reinsurance markets. The excess professional liability coverage is provided on a claims-made basis. There are known claims and incidents that may result in the assertion of additional claims, as well as claims from unknown incidents that may be asserted arising from services provided to patients. CHE has employed independent actuaries to estimate the ultimate costs, if any, of the settlement of such claims. Accrued malpractice losses have been discounted at a rate of 4.0% at December 31, 2011 and 2010, and in management's opinion provide an adequate reserve for loss contingencies.

CHE maintains a large deductible program for workers' compensation. Losses from asserted claims and from unasserted claims identified under CHE's incident reporting systems are accrued based on estimates that incorporate CHE's experience, relevant trends, and other factors. CHE has employed independent actuaries to estimate the ultimate costs, if any, of the settlement of such claims. Accrued workers' compensation losses have been discounted at a rate of 4.0% at December 31, 2011 and 2010, and in management's opinion provide an adequate reserve for loss contingencies.

Total amounts accrued under these programs as current liabilities approximate \$19,533,000 and \$20,996,000 at December 31, 2011 and 2010, respectively Total amounts accrued under these programs as long-term liabilities approximate \$295,981,000 and \$303,718,000 at December 31, 2011 and 2010, respectively

Bank-administered trust and other accounts have been established for the purpose of segregating assets. These trusts are funded based on actuarial estimates and can only be used for payment of malpractice losses, related expenses, and administrative costs of the trusts. Assets of the trusts are included in marketable securities whose use is limited.

The total amount charged to expense under these self-insured programs was \$49,620,000 and \$48,073,000 in 2011 and 2010, respectively

14. Pension Plans

The System maintains non-contributory defined benefit pension plans that vary from one RHC to another, collectively, "the Plan"

During 2010, CHE amended substantially all defined benefit pension plans to freeze service accruals. As a result of the service accrual freeze curtailment charges of \$1,166,000 and curtailment credits of \$2,978,000 were recognized in 2010 representing the immediate recognition of unamortized prior service costs and credits.

The following table sets forth the change in benefit obligation and the change in fair value of plan assets based on the measurement date, and the amounts recognized in the consolidated financial statements at December 31

(in thousands of dollars)	2011	2010
Changes in benefit obligation:		
Benefit obligation, beginning of year	\$1,031,184	\$934,097
Service cost	13,788	11,724
Interest cost	58,001	48,447
Actuarial loss	121,302	95,862
Benefits paid	(32,618)	(29,252)
Plan amendments	(28,278)	-
Plan mergers	209,943	-
Curtailment	-	(29,694)
Other	(11,288)	
Benefit obligation, end of year	\$1,362,034	\$1,031,184
Accumulated benefit obligation, end of year	\$1,323,714	\$988,730
Change in plan assets:		
Fair value of plan assets, beginning of year	740,648	650,547
Actual return on plan assets	12,299	73,257
Employer contributions	49,515	48,040
Benefits paid	(32,618)	(29,252)
Asset transfers	153,653	-
Other	<u>-</u> _	(1,944)
Fair value of plan assets, end of year	\$923,497	\$740,648
Funded status		
Fair value of plan assets	\$923,497	\$740,648
Projected benefit obligation	(1,362,034)	(1,031,184)
Funded status	(438,537)	(290,536)
Amount recognized, end of year	(\$438,537)	(\$290,536)
Amounts recognized in unrestricted net assets		
Net actuarial gain	\$184,392	\$45,694
Amortization of actuarial loss	(9,039)	(7,171)
Prior service cost	(1,218)	(261)
Current year prior service cost	(44,790)	-
Curtailment charge	<u>-</u>	(1,166)
Plan mergers	22,894	-
Total	\$152,239	\$37,096

The following table sets for the components of net periodic benefit cost for the applicable plan(s) at December 31

(in thousands of dollars)	2011	2010
Components of net periodic benefit cost:		
Service cost	\$13,788	\$11,891
Interest cost	58,001	48,447
Expected return on plan assets	(61,061)	(51,463)
Amortization of prior service costs	1,218	261
Amortization of actuarial loss	9,039	7,171
Other adjustments	_	1,296
Net periodic benefit cost	\$20,985	\$17,603

The net actuarial loss that will be amortized from unrestricted net assets in the net periodic benefit cost in 2012 is \$17,773,000

The accumulated benefit obligation for the Plan was \$1,323,714,000 and \$988,730,000 at December 31, 2011 and 2010, respectively

The assumptions used to determine the benefit obligation and periodic benefit cost at December 31 are as follows

	2011	2010
Assumptions used to determine the benefit obligation at December 31		
Weighted average discount rate	4 15% - 5 00%	5 60% - 6 10%
Weighted average rate of compensation increases	3 75% - 4 25%	4 25%
Weighted average expected long-term rate of return on plan assets	7 5% - 8 50%	8 00%
	2011	2010
Assumptions used to determine periodic benefit cost at December 31		
Weighted average discount rate	4 90% - 5 55%	6 05% - 6 20%
Weighted average rate of compensation increases	3 75% - 4 25%	4 25%
Weighted average expected long-term rate of return on plan assets	7 5% - 8 50%	8 00% - 8 50%

Investment Policy and Asset Allocations – In developing the assumption for the expected rate of return on assets, CHE evaluates historical returns, the level of expected returns on risk-free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested, and the expectations for future returns of each asset class. The expected rate of return for each asset class is then weighted based on the target asset allocation to develop the assumption for the expected long-term rate of return on assets. For plans with frozen service accruals, the investment policy was modified to allow for asset allocation changes over time as the plans become more fully funded in order to de-risk the plans. This strategy utilizes a "glide path" approach, consisting of a series of target asset allocations for various funded ratio levels, reduces exposure to return seeking assets (marketable equity securities and managed funds) and increases exposure to the liability-hedging assets (cash and marketable debt securities) over time. This strategy will be utilized going forward for the plans with frozen service accruals.

The weighted average asset allocation for the plan at December 31 and the target allocation for calendar year 2011, by asset category, are as follows

	Target Allocation 2012 From-To	2011	Target Allocation 2011 From-To	2010
Asset category Cash & marketable debt securities Marketable equitity securities & managed funds	18 8% - 40 0%	22 5%	18 8% - 40 0%	21 7%
	60 0% - 81 2%	77 5%	60 0% - 81 2%	78 3%
	100 0%	100 0%	100 0%	100 0%

The portfolio is diversified among a mix of assets including large and small cap, domestic and foreign equities, fixed income, managed funds, and cash. Asset mix is targeted to a specific allocation, either intermediate or long-term, that is established by evaluating expected return, standard deviation, and correlation of various assets against the plan's long-term objectives. Asset performance is monitored quarterly and rebalanced if asset classes exceed explicit ranges. The investment policy governs permitted types of investments, and outlines specific benchmarks and performance percentiles. The Investment Subcommittee of the Stewardship Committee of the CHE Board oversees the pension investment program and monitors investment performance. Risk is closely monitored through the evaluation of portfolio holdings and tracking the beta and standard deviation of the portfolio performance.

The following table presents the Plan's financial instruments as of December 31, 2011 measured at fair value on a recurring basis using the fair value hierarchy defined in Note 7. The investments are not included in the marketable securities whose use is limited in the accompanying consolidated balance sheet. These investments are maintained separately in a pension investment program that is controlled by a trustee

(in thousands of dollars)

,			2011		
	Level 1	Level 2	Level 3	<u>Total</u>	Valuation Technique
Pension investment program					
Cash and cash equivalents	\$63,919	\$68,257	\$ -	\$132,176	Market
Marketable equity securities	471,063	36,297	-	507,360	Market
Marketable debt securities	66,446	91,456	-	157,902	Market
Managed funds	_	-	126,059	126,059	Market
Total pension investment program	\$601,428	\$196,010	\$126,059	\$923,497	
			2010		
	Level 1	Level 2	2010 <u>Level 3</u>	<u>Total</u>	Valuation Technique
Pension investment program	<u>Level 1</u>	Level 2		<u>Total</u>	
Pension investment program Cash and cash equivalents	<u>Level 1</u> \$34,473	<u>Level 2</u> \$23,460		<u>Total</u> \$57,933	
· ·			Level 3		Technique
Cash and cash equivalents	\$34,473	\$23,460	<u>Level 3</u>	\$57,933	Technique Market
Cash and cash equivalents Marketable equity securities	\$34,473 443,399	\$23,460 42,108	<u>Level 3</u>	\$57,933 485,526	Technique Market Market

The fair value of these investments is offset against the projected benefit obligation of the associated defined benefit plans and the resulting unfunded liability is recorded by the System

The table below sets forth a summary of changes in the fair value of the Level 3 assets for the Plan for the period from December 31, 2010 to December 31, 2011

(in thousands of dollars)

	2011	2010
	075 400	000.004
Fair value January 1	\$75,493	\$63,624
Purchases	-	24,500
Realized gains	441	2,566
Unrealized losses	(2,950)	-
Transfers in	55,764	154
Sales	(2,689)	(15,351)
Fair value December 31	\$126,059	\$75,493

Contributions – Expected contributions to the defined benefit plans in 2012 are approximately \$66,219,000

Estimated Future Benefit Payments

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid

(in thousands of dollars)

2012	\$56,057
2013	59,674
2014	63,858
2015	65,977
2016	71,747
2017-2020	413,513
	\$730,826

15. Concentration of Credit Risk

CHE grants credit without collateral to its patients, most of whom are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at December 31 was as follows.

	2011	2010
Managed care	29 4 %	32 6 %
Medicare	24 8 %	27 5 %
Medicaid	10 5 %	10 4 %
Self-pay	11 2 %	70%
Other third-party payors	13 7 %	10 8 %
Commercial	10 4 %	117%
	100 0 %	100 0 %

In addition, CHE invests its cash and cash equivalents primarily with banks and financial institutions. These deposits may be in excess of federally insured limits. Management believes that the credit risk related to these deposits is minimal.

16. Commitments and Contingencies

The RHCs are defendants in various lawsuits relating primarily to rendering of health care services in each instance, management of the respective RHCs is of the opinion that the liability, if any, resulting there from will be covered by insurance or will not have a material adverse impact on the consolidated financial statements of CHE. In addition, certain CHE entities have been contacted by governmental agencies regarding alleged violations of practices for certain services. Management of the respective RHCs has performed, with the advice and assistance of outside legal counsel, an evaluation of billing practices and compliance with related laws and regulations. In the opinion of management, after consultation with outside legal counsel, the ultimate outcome of these matters will not have a material adverse impact on the consolidated financial statements of CHE.

17. Leases

The RHCs lease office space and certain equipment under noncancelable operating leases. Rental expense was approximately \$85,939,000 and \$70,892,000 in 2011 and 2010, respectively

Future minimum lease payments for all noncancelable leases as of December 31, 2011 are as follows

 (In thousands of dollars)
 \$55,314

 2012
 \$55,314

 2013
 48,506

 2014
 39,425

 2015
 34,300

 2016
 30,675

 Thereafter
 66,871

18. Functional Expenses

CHE provides general health care services to residents within their geographic location including acute care, skilled nursing, outpatient care, home healthcare, physician practices, and behavioral services Expenses related to providing these services at December 31 are as follows

(in thousands of dollars)	2011	2010
Health care services	\$3,471,454	\$3,228,551
General and administrative	821,683	776,375
	\$4,293,137	\$4,004,926

\$275,091

19. Assets Held for Sale and Discontinued Operations

The Boards of Directors at certain of the Company's RHCs have approved management plans to divest or otherwise exit certain services lines and asset groups. Service lines and asset groups subject to such management plans are collectively referred to as the Disposal Group.

Details of the assets held for sale, the related liabilities, and discontinued operations of the Disposal Group at December 31 are provided below

(ın thousands of dollars)	2011	2010
Assets Held for Sale and Related Liabilities		
Other current assets	\$27	\$214,724
Property, plant, and equipment, net	36,117	161,159
Total assets	\$36,144	\$375,883
Current liabilities	\$18,850	\$28,307
Total liabilities	\$18,850	\$28,307
(in thousands of dollars)	2011	2010
Discontinued Operations		
Unrestricted revenues, gains and other support		
Net patient service revenue	\$127,616	\$294,929
Other operating revenue	20,049	33,238
Total Revenues	147,665_	328,167
Expenses	70.040	440044
Salaries, wages and benefits	70,246	148,344
Medical supplies	24,746	66,445
Purchased services, professional fees, and other expenses	63,938	92,088
Depreciation and amortization	1,608	8,451
Interest	2,735	4,963
Insurance	4,563	6,887
Provision for bad debts	15,273	31,206
Other Tatal Fynances	3,083	17,829
Total Expenses	186,192	376,213
Operating Loss	(\$38,527)	(\$48,046)

The operations of the entities of St Joseph's Health System which were contributed to a Joint Operating Company with Emory Healthcare as described in Note 3 are classified separately within operating income on the consolidated statement of operations. Those operations are detailed below

(in thousands of dollars)	2011	2010
St. Joseph's Health System		
Operating Revenues	\$365,965	\$388,925
Operating Expenses	397,214	409,604
Losses from St Joseph's Health System	(\$31,249)	(\$20,679)

20. Subsequent Events

On February 28, 2012, the Company closed Marian Community Hospital, which provided acute care and behavioral health services in the Carbondale, PA service area. The operations of Marian Community Hospital are classified as discontinued operations in the accompanying consolidated statement of operations and changes in net assets.

(ın thousands of dollars)	Consolidated	Mercy Health System of Maine	Sisters of Providence Health System, Inc	St Peter's Health Partners	St James Mercy Health Systems, Inc	Maxıs Health System	Mercy Health System of SEPA	St Mary Medical Center	Our Lady of Lourdes Health Care Services, Inc	Pittsburgh Mercy Health System, Inc
Assets										
Current assets										
Cash and cash equivalents	\$751,251	\$919	\$12,419	\$100,262	\$2,525	\$214	\$224,926	\$137,529	\$5,395	\$28,679
Investments	130.635	_		123,153	2,856	548	255		_	_
Marketable securities whose use is limited	12,209	1,991	_	1,162	-,	8	-	_	_	_
Net patient receivables, net of estimated uncollectibles of \$320,921	465,386	32,689	29,822	98,017	5.799	2,293	73,582	40,484	50,451	4,419
Collateral received on securities pledged	130.364	,	,	,	-,	_,	,	_	,	-
Other accounts receivable	119,132	3,686	3,820	20,451	977	147	6.295	9.780	19,156	8,993
Prepaid expenses and inventories	116,985	5,766	5,438	19,378	1,924	859	15,525	9,313	11,159	1,339
Assets held for sale	27		· -	· -	27	_			· -	· -
Total current assets	1,725,989	45,051	51,499	362,423	14,108	4,069	320,583	197,106	86,161	43,430
Marketable securities and investments whose use is limited										
Board-designated funds	363,459	27,414	3,134	127,197	5,806	3,996	10,000	-	1,760	80,369
Trustee-held funds	174,154	-	2,574	44,919	-	1,465	3,894	27,316	-	230
Donor-restricted funds	126,342	1,861	4,196	69,707	480	-	5,805	11,533	2,740	3,443
Investments	429,986	11	-	24,055	340	-	-	54,711	-	-
Total marketable securities and investments whose use is limited	1,093,941	29,286	9,904	265,878	6,626	5,461	19,699	93,560	4,500	84,042
Property and equipment, net	2,070,526	104,954	83,904	648,922	14,535	5,905	167,871	178,559	143,303	9,252
Equity investments in manged funds	250,982	-	-	_	-	_	-	_	-	-
Investments in unconsolidated organizations	1,450,068	-	5,794	1,148	-	15	135,138	5,129	2,590	-
Assets held for sale	36,117	-	-	-	-	10	-	-	722	-
Goodwill	10,470	-	-	-	-	-	32	-	10,438	-
Other assets	219,077	29,381	22,960	53,232	6,512	2,176	97,036	26,074	14,864	8,062
Total assets	\$6,857,170	\$208,672	\$174,061	\$1,331,603	\$41,781	\$17,636	\$740,359	\$500,428	\$262,578	\$144,786
Liabilities and Net Assets										
Current liabilities										
Current portion of long-term debt and capital lease obligations	\$75,258	\$6,770	\$2,498	\$15,991	\$661	\$809	\$8,905	\$4,641	\$4,564	\$519
Portion of variable rate demand obligations classified as current	17,332	6,840	-	-	-	-	-	150	-	-
Accounts payable and accrued expenses	647,928	21,016	23,343	84,699	5,916	32,147	71,309	24,772	55,335	9,725
Colateral due broker on securities pledged	130,364	-	-	-	-	-	-	-	-	-
Estimated third party payor settlements, net	123,353	4,448	8,987	31,097	4,073	813	23,036	1,591	9,059	-
Other	181,614	7,899	6,675	14,942	652	426	49,791	23,429	12,318	2,657
Liabilities related to assets held for sale	18,850		-	-	-	-	-	-	-	
Total current liabilities	1,194,699	46,973	41,503	146,729	11,302	34,195	153,041	54,583	81,276	12,901
Long-term debt, net	1,534,848	65,591	55,563	359,476	7,731	8,900	156,391	138,169	126,374	3,990
Other liabilities	159,117	6,228	3,160	23,511	656	167	15,153	7,250	6,213	203
Pension liabilities	438,537	-	13,265	46,612	-	5,597	136,638	17,358	23,315	17,653
Insurance liabilities, net of current portion	295,981	9,041	23,103	43,611	8,473	2,880	91,861	24,067	17,031	1,731
Deferred revenue from entrance fees	92,085		-	49,122	-	-	-	-	-	<u> </u>
Total liabilities	3,715,267	127,833	136,594	669,061	28,162	51,739	553,084	241,427	254,209	36,478
Net assets										
Unrestricted	2,954,583	78,778	32,889	597,378	13,121	(34, 103)	179,979	251,756	4,510	100,048
Temporarily restricted	140,614	1,010	2,456	39,856	228	-	3,328	7,245	3,594	8,260
Permanently restricted	46,706	1,051	2,122	25,308	270		3,968		265	<u> </u>
Total net assets	3,141,903	80,839	37,467	662,542	13,619	(34, 103)	187,275	259,001	8,369	108,308
Total liabilities and net assets	\$6,857,170	\$208,672	\$174,061	\$1,331,603	\$41,781	\$17,636	\$740,359	\$500,428	\$262,578	\$144,786

(ın thousands of dollars)	Saint Francis Healthcare	St Francis Medical Center	Saint Michael's Medical Center	Holy Cross Hospital, Inc	Saint Joseph's Health System, Inc	Mercy Hospital, Inc	St Mary's Health Care System, Inc	Mercy Medical Corporation	Mercy Community Health, Inc
Assets									
Current assets									
Cash and cash equivalents	\$7,307	\$6,129	\$16,675	\$23,275	\$9,654	\$10,093	\$36,376	\$10,222	\$ -
Investments	-	-			3,823	-	-	-	
Marketable securities whose use is limited	-	_	4.092	35	-	3,674	_	_	1,247
Net patient receivables, net of estimated uncollectibles of \$320,921	11,183	13,096	22,122	55,228	1,710	_	19,656	1,044	2,475
Collateral received on securities pledged		-	,	-	-,,,,,,	_	-		_,
Other accounts receivable	1.217	1,158	8,931	4,459	3,375	1,458	4,807	(23)	170
Prepaid expenses and inventories	4,837	2.894	9.086	12,802	984	1,239	4,622	162	420
Assets held for sale	· -		· -	· -	-	· -	· -	_	-
Total current assets	24,544	23,277	60,906	95,799	19,546	16,464	65,461	11,405	4,312
Marketable securities and investments whose use is limited									
Board-designated funds	-	2,062	11,252	57,055	44,158	7,531	11,737	5,224	-
Trustee-held funds	1,746	1	77,721	9,635	_	-	3,221	-	1,432
Donor-restricted funds	233	1,457	-	16,864	-	1,988	5,572	186	277
Investments	-	-	87	-	180,628	-	14,239	590	-
Total marketable securities and investments whose use is limited	1,979	3,520	89,060	83,554	224,786	9,519	34,769	6,000	1,709
Property and equipment, net	47,421	39,486	186,419	228,711	13,350	4	76,422	3,895	26,479
Equity investments in manged funds	-	-	-	-	-	-	-	-	-
Investments in unconsolidated organizations	505	1,438	2,013	2,033	142,175	1,006	-	-	-
Assets held for sale	-	-	-	18,384	-	-	-	17,001	-
Goodwill	-	-	-	-	-	-	-	-	-
Other assets	4,317	2,375	4,550	27,179	51,731	6,590	9,531	1,345	723
Total assets	\$78,766	\$70,096	\$342,948	\$455,660	\$451,588	\$33,583	\$186,183	\$39,646	\$33,223
Liabilities and Net Assets									
Current liabilities									
Current portion of long-term debt and capital lease obligations	\$1,573	\$973	\$9,772	\$6,225	\$12	\$ -	\$1,104	\$5,000	\$1,884
Portion of variable rate demand obligations classified as current	-	200	-	-	-	-	-	1,350	-
Accounts payable and accrued expenses	48,204	17,708	99,961	32,004	2,540	17,227	24,806	1,726	5,496
Colateral due broker on securities pledged	-	-	-	-	-	-	-	-	-
Estimated third party payor settlements, net	2,179	16,865	14,451	2,602	2,618	15,079	2,338	5	399
Other	2,825	5,078	8,867	22,597	4,396	10,622	3,218	534	2,515
Liabilities related to assets held for sale		-	-	18,850	-	-	-	-	-
Total current liabilities	54,781	40,824	133,051	82,278	9,566	42,928	31,466	8,615	10,294
Long-term debt, net	40,929	17,967	265,138	113,659	2,266	-	22,121	30,305	26,822
Other liabilities	883	274	-	12,149	(1,713)	984	5,789	3,612	2,412
Pension liabilities	13,890	11,416	-	68,939	50,516	-	21,118	-	622
Insurance liabilities, net of current portion	8,227	3,251	7,366	34,184	2,590	8,191	3,481	1,039	387
Deferred revenue from entrance fees		-	-	-	-	-	-	-	14,545
Total liabilities	118,710	73,732	405,555	311,209	63,225	52,103	83,975	43,571	55,082
Net assets									
Unrestricted	(40, 177)		(63,764)	124,713	369,307	(20,661)	101,552	(4,121)	(22,492)
Temporarily restricted	233	560	1,157	17,797	15,152	1,987	556	196	356
Permanently restricted		728	-	1,941	3,904	154	100	-	277
Total net assets	(39,944)	(3,636)	(62,607)	144,451	388,363	(18,520)	102,208	(3,925)	(21,859)
Total liabilities and net assets	\$78,766	\$70,096	\$342,948	\$455,660	\$451,588	\$33,583	\$186,183	\$39,646	\$33,223

(in thousands of dollars)	St Joseph's of the Pines, Inc	Mercy Uihlein Health Corp	Catholic Health System, Inc	Baycare Health System	Intracoastal	SJSA Foundation	Allegany Franciscan Ministries	CHE System Office	CHE Insurance Program, On-Shore	Stella Marıs	Global Health	Elim
		Согр		- Cy Stein	madoustar	roundation	Milliotries	011100	<u> </u>	Ottoria mario	- Milliouries	
Assets												
Current assets	C4 024	67	•	•	C40E	£4.700	CO 074	674 000	07.445	CO4 704	C4 0 40	•
Cash and cash equivalents	\$1,824	\$7	\$ -	\$ -	\$405	\$1,733	\$3,374	\$71,222	\$7,115	\$31,724	\$1,248	\$ -
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Marketable securities whose use is limited	4.040	-	-	-	-	-	-	-	-	-	-	-
Net patient receivables, net of estimated uncollectibles of \$320,921	1,316	-	-	-	-	-	-	-	-	-	-	-
Collateral received on securities pledged	1 000	-	-	-	-	-	-	0.450	20.024	- 	-	130,364
Other accounts receivable	1,880 406	-	-	-	-	1,268	- 7	8,452 36,654	29,924	56,253 6,749	4	(76,234)
Prepaid expenses and inventories Assets held for sale	406	-	-	-	-	1,200	,	36,634	-	6,749	4	(35,850)
Total current assets	5,426	7			405	3,001	3,381	116,328	37.039	94.726	1,252	18,280
Marketable securities and investments whose use is limited	5,426	′	-	-	405	3,001	3,301	110,320	31,039	94,726	1,232	10,200
Board-designated funds						4,560				211,186		(250,982)
Trustee-held funds	-	-	-	-	-	4,560	-	-	-	211,100	-	(230,962)
Donor-restricted funds	-	-	-	-	-	-	-	-	-	-	-	-
Investments	20,636	-	-	-	-	16,070	- 118,619	-	-	-	-	-
Total marketable securities and investments whose use is limited	20,636					20,630	118,619			211,186		(250,982)
		-	-	-	-		·	-	-	211,100	-	(230,902)
Property and equipment, net	69,017	-	-	-	-	19	19	22,079	-	-	-	-
Equity investments in manged funds		-		-	-	-	-	-	-	-	-	250,982
Investments in unconsolidated organizations	50	-	12,914	1,138,120	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-
Goodwill	4.050	-	-	-	4.040	4 005	7	- 00.004	-	-	-	- (0.44.000)
Other assets	1,852	36	-	-	1,843	1,825		89,804	-	-	-	(244,928)
Total assets	\$96,981	\$43	\$12,914	\$1,138,120	\$2,248	\$25,475	\$122,026	\$228,211	\$37,039	\$305,912	\$1,252	(\$226,648)
Liabilities and Net Assets												
Current liabilities												
Current portion of long-term debt and capital lease obligations	\$1,235	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$2,120	\$ -	\$ -	\$ -	\$ -
Portion of variable rate demand obligations classified as current	8,792	-	-	-	-	-	-	-	-	-	-	-
Accounts payable and accrued expenses	2,552	-	-	-	-	143	13	87,791	38	-	31	(20,573)
Colateral due broker on securities pledged	-	-	-	-	-	-	-	-	-	-	-	130,364
Estimated third party payor settlements, net	-	189	-	-	-	-	-	-	-	-	-	(16,477)
Other	370	-	-	-	1,517	-	6,299	1,895	21,871	279	-	(30,054)
Liabilities related to assets held for sale		-	-	-	-	-	-	-	-	-	-	_
Total current liabilities	12,949	189	-	-	1,517	143	6,312	91,806	21,909	279	31	63,260
Long-term debt, net	47.289	-	_	_	_	_	_	125.352	-	_	_	(79, 185)
Other liabilities	8,600	_	_	-	731	3,193	_	19,786	-	54,575	_	(14,701)
Pension liabilities	77	1,921	_	-	-	-	_	19,930	-	-	_	(10,330)
Insurance liabilities, net of current portion	246	37	-	-	_	-	_	-	17,289	173,587	_	(185,692)
Deferred revenue from entrance fees	28,418	-	-	-	_	_	_	-	-	_	-	-
Total liabilities	97,579	2,147	-	-	2,248	3,336	6,312	256,874	39,198	228,441	31	(226,648)
Net assets												
Unrestricted	(1,005)	(2,104)	10,756	1,116,930	_	3,442	115,714	(28,663)	(2,159)	77,471	412	-
Temporarily restricted	249	-	2,104	15,869	-	17,612	· -	-	-	-	809	-
Permanently restricted	158	-	54	5,321	-	1,085	-	-	-	-	-	-
Total net assets	(598)	(2,104)	12,914	1,138,120	-	22,139	115,714	(28,663)	(2,159)	77,471	1,221	-
Total liabilities and net assets	\$96,981	\$43	\$12,914	\$1,138,120	\$2,248	\$25,475	\$122,026	\$228,211	\$37,039	\$305,912	\$1,252	(\$226,648)
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(In thousands of dollars)	Consolidated	Mercy Health System of Maine	Sisters of Providence Health System, Inc	St Peter's Health Partners	St James Mercy Health Systems, Inc	Maxıs Health System	Mercy Health System of SEPA	St Mary Medical Center	Our Lady of Lourdes Health Care Services, Inc	Pittsburgh Mercy Health System, Inc
Unrestricted revenue, gains and other support			-							
Net patient service revenues	\$4.018.757	\$209,230	\$272,033	\$637,736	\$55,909	\$ -	\$769,131	\$430,171	\$434,554	\$35.839
Other operating revenue, gains and other support	322,693	4,164	18,693	31,336	1,363	145	90,903	8,225	11,936	55,438
Total unrestricted revenue, gains and other support	4,341,450	213,394	290,726	669,072	57,272	145	860,034	438,396	446,490	91,277
Expenses										
Salaries, wages and benefits	2,201,788	121,461	165,976	329,822	34,582	-	393,836	191,386	227,624	65,697
Medical supplies	579,299	32,220	30,102	114,658	4,846	-	72,558	66,760	63,682	-
Purchased services, professional fees and other expenses	968,582	46,865	61,744	126,210	16,439	60	224,317	100,967	120,102	22,431
Depreciation and amortization	183,319	10,876	11,674	35,920	2,438	13	23,362	17,287	16,523	199
Interest	61,311	3,176	2,112	12,801	351	2	5,410	2,709	4,190	-
Insurance	49,620	3,004	3,558	7,005	783	-	19,701	6,266	6,055	-
Provision for bad debt	249,218	12,083	8,566	26,115	2,440		89,364	16,707	17,472	
Total operating expenses	4,293,137	229,685	283,732	652,531	61,879	75	828,548	402,082	455,648	88,327
Operating income (losses) before losses from St Joseph's Health System	48,313	(16,291)	6,994	16,541	(4,607)	70	31,486	36,314	(9,158)	2,950
Losses from Saint Joseph's Health System	(31,249)		-	-	-	-	-	-	-	
Operating income (losses) including losses from St Joseph's Health System	17,064	(16,291)	6,994	16,541	(4,607)	70	31,486	36,314	(9,158)	2,950
Non-operating gains (losses)										
Investment returns, net	9.118	(633)	242	5.025	134	44	582	1.294	842	(1,957)
Equity in gains in earnings from unconsolidated organizations	93,536	-	2,973	1,394	_	2	695	1,597	(249)	-
Restructuring expenses and impairment losses	(5,588)	(97)	-	-	-	_	(122)	_	· -	-
Gain (loss) on sale of assets	100,707	37	7	(7)	(64)	4	94,850	8	1,671	846
Unrestricted contribution income - St. Peter's Health Partners	322,947	-	-	322,947	-	-	-	-	-	-
Other non-operating gains (losses)	2,626	-	-	(2)	-	-	-	-	-	-
Loss on extinguishment of debt	(539)	-		-	(539)			-	-	-
Change in fair value of interest rate swaps	(1,232)	(959)	(723)	(434)		(126)	(2,077)	(1,094)	(1,627)	
Total non-operating gains (losses)	521,575	(1,652)	2,499	328,923	(469)	(76)	93,928	1,805	637	(1,111)
Excess (deficit) of revenue over expenses	\$538,639	(\$17,943)	\$9,493	\$345,464	(\$5,076)	(\$6)	\$125,414	\$38,119	(\$8,521)	\$1,839

(in thousands of dollars)	Saint Francis Healthcare	St Francis Medical Center	Saint Michael's Medical Center	Holy Cross Hospital, Inc	Saint Joseph's Health System, Inc	Mercy Hospital, Inc	St Mary's Health Care System, Inc	Mercy Medical Corporation	Mercy Community Health, Inc
Unrestricted revenue, gains and other support									
Net patient service revenues	\$132,440	\$137,992	\$205,561	\$449,887	\$12,714	(\$5)	\$183,587	\$7,647	\$28,450
Other operating revenue, gains and other support	6,152	4,269	26,251	16,111	14,412	1,023	3,640	1,239	12,457
Total unrestricted revenue, gains and other support	138,592	142,261	231,812	465,998	27,126	1,018	187,227	8,886	40,907
Expenses									
Salaries, wages and benefits	64,606	62,681	108,894	212,744	21,704	377	80,161	6,731	22,506
Medical supplies	18,185	22,504	35,601	83,183	1,401	3	31,624	396	528
Purchased services, professional fees and other expenses	34,986	44,601	69,535	86,676	4,630	590	43,460	4,208	12,893
Depreciation and amortization	5,797	5,183	12,676	19,670	1,464	1	10,662	200	2,239
Interest	1,389	693	18,369	4,572	14	-	972	334	1,360
Insurance	2,247	2,444	1,033	12,362	185	7	1,979	64	244
Provision for bad debt	9,673	4,062	10,714	35,314	2,112	(803)	15,069	22	394
Total operating expenses	136,883	142,168	256,822	454,521	31,510	175	183,927	11,955	40,164
Operating income (losses) before losses from St Joseph's Health System	1,709	93	(25,010)	11,477	(4,384)	843	3,300	(3,069)	743
Losses from Saint Joseph's Health System		-	-	-	(31,249)	-	-	-	
Operating income (losses) including losses from St Joseph's Health System	1,709	93	(25,010)	11,477	(35,633)	843	3,300	(3,069)	743
Non-operating gains (losses)									
Investment returns, net	(59)	164	19	29	(2,688)	(101)	248	63	17
Equity in gains in earnings from unconsolidated organizations	70	170	3,278	281	-	(33)		-	-
Restructuring expenses and impairment losses	-	(506)	-	(1,460)	(2,830)	· -	-	(14)	-
Gain (loss) on sale of assets	32	(64)	-	390	53	(3)	(32)	2,972	-
Unrestricted contribution income - St. Peter's Health Partners	-	-	-	-	-	-	-	-	-
Other non-operating gains (losses)	-	-	3,100	-	-	(472)	-	-	-
Loss on extinguishment of debt		-	-		-				-
Change in fair value of interest rate swaps	(493)	(223)		(1,022)	(1,539)	153	(235)	(398)	(233)
Total non-operating gains (losses)	(450)	(459)	6,397	(1,782)	(7,004)	(456)	(19)	2,623	(216)
Excess (deficit) of revenue over expenses	\$1,259	(\$366)	(\$18,613)	\$9,695	(\$42,637)	\$387	\$3,281	(\$446)	\$527

(in thousands of dollars)	St Joseph's of the Pines	Mercy Uihlein Health Corp	Catholic Health System, Inc	Baycare Health System	SJSA Foundation	Allegany Franciscan Ministries	CHE System Office	CHE Insurance Program, On-Shore	Stella Marıs	Global Health Ministries	Elım
Unrestricted revenue, gains and other support		-									
Net patient service revenues	\$15.881	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other operating revenue, gains and other support	18.202	-	-	-	2,995	3.960	126.790	-	38,826	1,552	(177,389)
Total unrestricted revenue, gains and other support	34,083	-	-	-	2,995	3,960	126,790	-	38,826	1,552	(177,389)
Expenses											
Salaries, wages and benefits	15,839	25	-	_	1,274	761	72,762	_	_	339	-
Medical supplies	1,048	-	-	-	-	-	-	-	-	-	-
Purchased services, professional fees and other expenses	11,721	2	-	-	792	7,867	50,169	-	1,049	1,083	(124,815)
Depreciation and amortization	4,061	-	-	-	3	6	3,065	-	-	-	-
Interest	2,063	-	-	-	-	-	794	-	-	-	-
Insurance	176	48	-	-	-	21	-	1,167	33,839	6	(52,574)
Provision for bad debt	(86)	-	-	-	-	-	-	-	-	-	-
Total operating expenses	34,822	75	-	-	2,069	8,655	126,790	1,167	34,888	1,428	(177,389)
Operating income (losses) before losses from St Joseph's Health System	(739)	(75)	-	-	926	(4,695)	-	(1,167)	3,938	124	-
Losses from Saint Joseph's Health System	_	-	-	-	-	-	-	-	-	-	
Operating income (losses) including losses from St Joseph's Health System	(739)	(75)	-	-	926	(4,695)	-	(1,167)	3,938	124	-
Non-operating gains (losses)											
Investment returns, net	471	_	_	_	22	(4,299)	1,092	_	8,570	(3)	_
Equity in gains in earnings from unconsolidated organizations	-	_	8,747	74,611	-	-	-	-	-	-	-
Restructuring expenses and impairment losses	-	-	_	-	-	-	(559)	-	-	-	-
Gain (loss) on sale of assets	-	7 -	-	-	-	-	-	-	-	-	-
Unrestricted contribution income - St Peter's Health Partners	-	-	-	-	-	-	-	-	-	-	-
Other non-operating gains (losses)	-	-	-	-	-	-	-	-	-	-	-
Loss on extinguishment of debt	-	-	-	-	-	-	-	-	-	-	-
Change in fair value of interest rate swaps	(728)	-	-	_	-	-	10,526	-	-	-	
Total non-operating gains (losses)	(257)	7	8,747	74,611	22	(4,299)	11,059	-	8,570	(3)	-
Excess (deficit) of revenue over expenses	(\$996)	(\$68)	\$8,747	\$74,611	\$948	(\$8,994)	\$11,059	(\$1,167)	\$12,508	\$121	\$ -

Catholic Health East Consolidating Statement of changes in Net Assets

(in thousands of dollars)	Mercy Health System of Maine	Sisters of Providence Health System	St Peter's Health Partners	St James Mercy Health System	Maxıs Health System	Mercy Health System of SEPA	St Mary, Langhorne , PA Location	Our Lady of Lourdes Health Care Services	Pittsburgh Mercy Health System
Unrestricted net assets Excess (deficit) of revenue over expenses Change in unrealized (losses) gains on available-for-sale securities Decrease in pension liability adjustment - consolidated organizations	(\$17,943) - -	\$9,493 - (5,190)	\$345,464 - 6,792	(\$5,076) - -	(\$6) - (2,292)	\$125,414 (3,657) (53,870)		(\$8,521) - (3,017)	\$1,839 - (7,296)
Decrease in pension liability adjustment - unconsolidated organizations Net assets released from restrictions for capital expenditures Other changes	458 604	(5, 166) - 664 -	18,945 5,530	17 352	(330)	582 (237)	8,061		788
Increase (decrease) in unrestricted net assets before discontinued operations	(16,881)	4,967	376,731	(4,707)	(2,628)	68,232	35,497	(11,538)	(4,669)
Loss from discontinued operations		(18)	-	(696)	(12,618)	(1,417)	-	(1,748)	
Increase (decrease) in unrestricted net assets	(16,881)	4,949	376,731	(5,403)	(15,246)	66,815	35,497	(13,286)	(4,669)
Temporarily restricited net assets Contributions Investment income (loss) Change in unrealized (losses) on investments Net assets released from restrictions Temporarily restricted contribution income - St Peter's Health Partners Other changes	531 15 (6) (623) -	766 64 (58) (866) - (68)	4,775 162 (107) (20,369) 33,202 20	62 - - (41) - -	(3) - - - -	1,363 4 - (872) -	121 - - (6,287) - (5)	446 366 (51) 175 - (1,289)	(823) - - - - -
Increase (decrease) in temporarily restricted net assets	(83)	(162)	17,683	21	(3)	495	(6,171)	(353)	(823)
Permanently restricited net assets Contributions Net realized and unrealized gains on investments Permanently restricted contribution income - St Peter's Health Partners Other changes	2 (12) - -	- (87) - -	67 (290) 18,670 (15)	- - - -	- - - -	- - - (169)	- - -	- - - -	- - -
Increase (decrease) in permanently restricted net assets	(10)	(87)	18,432	-	-	(169)	-	-	<u>-</u>
Increase (decrease) in inet assets	(16,974)	4,700	412,846	(5,382)	(15,249)	67,141	29,326	(13,639)	(5,492)
Beginning of year	97,813	32,767	249,696	19,001	(18,854)	120,134	229,675	22,008	113,800
End of year	\$80,839	\$37,467	\$662,542	\$13,619	(\$34,103)	\$187,275	\$259,001	\$8,369	\$108,308

Catholic Health East Consolidating Statement of changes in Net Assets

Excess (deficut) of revenue over expenses	(in thousands of dollars)	Saint Francis Healthcare	St Francis Medical Center	Saint Michael's Medical Center	Holy Cross Hospital, Inc	Saint Joseph's Health System, Inc	Mercy Hospital (Miami) & Subs	St Mary's Health Care System, Inc	Mercy Medical, A Corporation	Mercy Community Health, Inc
Change in unrealized (losses) gains on available-for-sale securities 1										
Decrease in pension liability adjustment - consolidated organizations C,800 C,80		\$1,259	(\$366)	(\$18,613)	\$9,695	(\$42,637)	\$387	\$3,281	(\$446)	\$527
Net assets released from restrictions for capital expenditures		- (5.800)	/6 106)	-	(26 601)	(12.032)	-	- (7 571)	-	-
Char changes Cay C		(5,666)	(0, 100)	-	(20,001)	(12,032)	-	(7,571)	-	-
Increase (decrease) in unrestricted net assets before discontinued operations		624	690	-	843	230	194	-	110	-
Canal decrease in unrestricted net assets Canal decrease in unrestricted net assets Canal decrease C	Other changes	(975)	5	6,939	(1,793)	5,121	(599)	-	-	
Increase (decrease) in unrestricted net assets	Increase (decrease) in unrestricted net assets before discontinued operations	(4,892)	(5,777)	(11,674)	(17,856)	(49,318)	(18)	(4,290)	(336)	527
Page	Loss from discontinued operations	(2,102)	-	-	(3,241)	-	(16,567)	-	(291)	
Contributions 664 65 - 11,237 1,653 (590) - 183 273 [173] [1	Increase (decrease) in unrestricted net assets	(6,994)	(5,777)	(11,674)	(21,097)	(49,318)	(16,585)	(4,290)	(627)	527
Contributions 664 65 - 11,237 1,653 (590) - 183 273 [173] [1	Temporarily restricited net assets									
Change in unrealized (losses) on investments - - - - (286) - - - - (29) Net assets released from restrictions (1,356) - (3,139) (4,118) (1,456) - (214) (284) (50) Temporarily restricted contribution income - St Peter's Health Partners 258 (201) (358) (1,048) (4,767) - - - (2) Increase (decrease) in temporarily restricted net assets (434) (130) (3,497) 6,087 (4,589) (590) (213) (101) 223 Permanently restricted net assets Contributions - 6 -		664	65	-		1,653	(590)	-	183	
Net assets released from restrictions Temporarily restricted contribution income - St Peter's Health Partners Other changes Cother changes Contributions Net realized and unrealized gains on investments Permanently restricted contribution income - St Peter's Health Partners Cother changes Cother	,	-	6	-		(19)	-	1	-	
Temporarily restricted contribution income - St Peter's Health Partners Other changes 258 (201) (358) (1,048) (4,767) - - - - (2) (2		- /1 256\	-	(2.120)	, ,	- /1 /EC\	-	(214)	(204)	
Other changes 258 (201) (358) (1,048) (4,767) - - - (2) Increase (decrease) in temporarily restricted net assets (434) (130) (3,497) 6,087 (4,589) (590) (213) (101) 223 Permanently restricted net assets Contributions 6 -		(1,336)	-	(3, 139)	(4,110)	(1,456)	-	(214)	(204)	(50)
Permanently restricted net assets		258	(201)	(358)	(1,048)	(4,767)	-	-	-	(2)
Contributions - 6 - <	Increase (decrease) in temporarily restricted net assets	(434)	(130)	(3,497)	6,087	(4,589)	(590)	(213)	(101)	223
Contributions - 6 - <	Permanently restricited net assets									
Permanently restricted contribution income - St Peter's Health Partners Other changes 1		-	6	-	-	-	-	-	-	-
Other changes 6 6 - <		-	5	-	-	-	-	-	-	-
Increase (decrease) in permanently restricted net assets - 5 -		-	- (6)	-	-	-	-	-	-	-
Beginning of year (32,516) 2,266 (47,436) 159,461 442,270 (1,345) 106,711 (3,197) (22,609)		_		_	_	_	-	_	-	_
Beginning of year (32,516) 2,266 (47,436) 159,461 442,270 (1,345) 106,711 (3,197) (22,609)	Increase (decrease) in inet assets	(7,428)	(5,902)	(15, 171)	(15,010)	(53,907)	(17,175)	(4,503)	(728)	750
	·	, , ,		, , ,		, , ,	, , ,	, , ,	, ,	(22,609)

Catholic Health East

Consolidating Statement of changes in Net Assets

(In thousands of dollars)	St Joseph's of the Pines	Mercy Uihlein Health Corporation	Catholic Health System of Western New York	Baycare Health System	SJSA Foundation	Allegany Franciscan Ministries	CHE System Office	CHE Insurance Program OnShore	Stella Marıs	Global Health Ministries	ELIM
Unrestricted net assets Excess (deflicit) of revenue over expenses Change in unrealized (losses) gains on available-for-sale securities	(\$996)	(\$68)	\$8,747	\$74,611 19	\$948 -	(\$8,994) -	\$11,059 -	(\$1,167) -	\$12,508 -	\$121 -	\$ - -
Decrease in pension liability adjustment - consolidated organizations Decrease in pension liability adjustment - unconsolidated organizations Net assets released from restrictions for capital expenditures Other changes	- - 304 (5)	(1,015) - - -	(22,233) 3,620 (2,089)	(8,252) 136 (406)	- - - (936)	- - -	(9,317) - - 1,308	- - - (201)	- - - (1)	- - - (1)	- - - 2
Increase (decrease) in unrestricted net assets before discontinued operations	(697)	(1,083)	(11,955)	66,108	12	(8,994)	3,050	(1,368)	12,507	120	2
Loss from discontinued operations		-	171	-	-	-	-	-	-	-	_
Increase (decrease) in unrestricted net assets	(697)	(1,083)	(11,784)	66,108	12	(8,994)	3,050	(1,368)	12,507	120	2
Temporarily restricited net assets Contributions Investment income (loss) Change in unrealized (losses) on investments Net assets released from restrictions Temporarily restricted contribution income - St Peter's Health Partners Other changes	25 2 - (166) - (1)	- - - -	302 205 - (516) - 184	1,087 (465) - (619) - 1	2,962 - (111) (1,916) - 726	- - - -	-	- - - -	- - - -	(759) 8 - - -	- 1 - - -
Increase (decrease) in temporarily restricted net assets	(140)	-	175	4	1,661	-	-	-	-	(751)	1
Permanently restricited net assets Contributions Net realized and unrealized gains on investments Permanently restricted contribution income - St Peter's Health Partners Other changes	- 1 - (30)	- - - -	- - - -	- 553 - -	(23) - 64	- - - -	- - - -	- - - -	- - - -	- - - -	- - - -
Increase (decrease) in permanently restricted net assets	(29)	-	-	553	41	-	-	-		-	
Increase (decrease) in inet assets	(866)	(1,083)	(11,609)	66,665	1,714	(8,994)	3,050	(1,368)	12,507	(631)	3
Beginning of year End of year	268 (\$598)	(1,021) (\$2,104)	24,523 \$12,914	1,071,455 \$1,138,120	20,425 \$22,139	124,708 \$115,714	(31,713) (\$28,663)	(791) (\$2,159)	64,964 \$77,471	1,852 \$1,221	(3)

Mercy Health System of Maine Consolidating Balance Sheet December 31, 2011

(In thousands of dollars)	Total Mercy Health System of Maine	MHSM Corporate Office	Mercy Hospital	VNA Home Health and Hospice
Assets				
Current assets				
Cash and cash equivalents	\$919	\$258	(\$2,237)	\$2,898
Marketable securities and investments whose use is limited	1,991	-	1,991	-
Patient accounts receivable, net of estimated uncollectibles of \$10,450	32,689	-	29,730	2,959
Other accounts receivable	3,686	-	3,673	13
Prepaid expenses and inventories	5,766		5,766	-
Total current assets	45,051	258	38,923	5,870
Marketable securities and investments whose use is limited				
Board-designated funds	27,414	309	20,104	7,001
Donor-restricted funds	1,861	-	1,796	65
Investments	11	-	11	0
Total marketable securities and investments whose use is limited	29,286	309	21,911	7,066
Property and equipment, net	104,954	-	104,511	443
Pledges receivable and other assets	29,381		29,368	13
Total assets	\$208,672	\$567	\$194,713	\$13,392
Liabilities and Net Assets				
Current liabilities				
Current portion of long-term debt and capital lease obligations	\$6,770	\$ -	\$6,770	\$ -
Portion of variable rate demand obligations classified as current	6,840	-	6,840	-
Accounts payable and accrued expenses	21,016	250	19,750	1,016
Estimated third-party payor settlements, net	4,448	-	4,448	-
Other	7,899		7,465	434
Total current liabilities	46,973	250	45,273	1,450
Long-term debt, net	65,591	_	65,591	_
Other liabilities	6,228	309	5,919	-
Insurance liabilities, net of current portion	9,041	-	9,041	-
Total liabilities	127,833	559	125,824	1,450
Net assets				
Unrestricted	78,778	8	66,875	11,895
Temporarily restricted	1,010	-	972	38
Permanently restricted	1,051		1,042	9
Total net assets	80,839	8	68,889	11,942
Total liabilities and net assets	\$208,672	\$567	\$194,713	\$13,392

Mercy Health System of Maine Consolidating Statement of Operations December 31, 2011

(in thousands of dollars)	Total Mercy Health System of Maine	MHSM Corporate Office	Mercy Hospital	VNA Home Health and Hospice	MHSM - Eliminations
Unrestricted revenues, gains and other support					
Net patient service revenue	\$209,230	\$ -	\$198,239	\$10,991	\$ -
Other operating revenue, gains and other support	4,164	2,739	4,033	227	(2,835)
Total unrestricted revenues, gains and other support	213,394	2,739	202,272	11,218	(2,835)
Expenses					
Salaries, wages and benefits	121,461	2,068	111,086	8,307	-
Medical supplies	32,220	-	31,750	470	-
Purchased services, professional fees and other expenses	46,865	671	47,233	1,796	(2,835)
Depreciation and amortization	10,876	-	10,763	113	-
Interest	3,176	-	3,176	-	-
Insurance	3,004	-	2,992	12	-
Provision for bad debts	12,083		12,050	33	
Total operating expenses	229,685	2,739	219,050	10,731	(2,835)
Operating (loss) income	(16,291)	-	(16,778)	487	-
Non-operating gains (losses)					
Investment returns, net	(633)	-	(602)	(31)	-
Impairment losses	(97)	-	(97)	-	-
Gain on sale of assets	37	-	37	-	-
Decrease in fair value of interest rate swaps	(959)		(959)	_	
Total non-operating gains (losses)	(1,652)		(1,621)	(31)	
(Deficit) excess of revenues over expenses	(\$17,943)	\$ -	(\$18,399)	\$456	\$ -

Mercy Health System Of Maine Consolidating Statement of Changes in Net Assets December 31, 2011

(in thousands of dollars)	Total Mercy Health System of Maine	MHSM Corporate Office	Mercy Hospital	VNA Home Healthand Hospice
Unrestricted net assets				
(Deficit) excess of revenue over expenses	(\$17,943)	\$ -	(\$18,399)	\$456
Net assets released from restrictions for capital expenditures	458	-	458	-
Other changes	604		646	(42)
(Decrease) increase in unrestricted net assets	(16,881)		(17,295)	414
Temporarily restricted net assets				
Contributions	531	_	495	36
Investment income	15	-	15	-
Change in unrealized losses on investments	(6)	_	(6)	-
Net assets released from restrictions	(623)		(614)	(9)
(Decrease) increase in temporarily restricted net assets	(83)		(110)	27
Permanently restricted net assets				
Contributions	2	-	2	-
Net realized and unrealized loses on investments	(12)		(12)	_
Decrease in permanently restricted net assets	(10)		(10)	
(Decrease) increase in net assets	(16,974)	-	(17,415)	441
Beginning of year	97,813	8	86,304	11,501
End of year	\$80,839	\$8	\$68,889	\$11,942

Sisters of Providence Health System Consolidating Balance Sheet December 31, 2011

(ın thousands of dollars)	Sisters of Providence Health System Consolidated	Sisters of Providence Health System, Inc.	Mercy Hospital, Inc. and Subsidiaries	Continuing Care Network	Mercy Specialist Physicians	Brightside, Inc.
Assets						
Current assets						
Cash and cash equivalents	\$12,419	(\$17,681)	\$52,411	(\$215)	(\$2,927)	(\$19,169)
Patient accounts receivable, net of estimated uncollectibles of \$10,828	29,822	-	26,957	2,396	214	255
Other accounts receivable	3,820	359	3,022	185	232	22
Prepaid expenses and inventories	5,438	387	5,003	29	14	5
Total current assets	51,499	(16,935)	87,393	2,395	(2,467)	(18,887)
Marketable securities and investments whose use is limited						
Board-designated funds	3,134	-	99	-	-	3,035
Trustee-held funds	2,574	-	2,187	283	-	104
Donor-restricted funds	4,196	279	1,809	1,634	-	474
Total marketable securities and investments whose use is limited	9,904	279	4,095	1,917	-	3,613
Property and equipment, net	83,904	4,705	73,955	5,244	-	-
Investments in unconsolidated organizations	5,794	4,966	828	-	-	-
Other assets	22,960	21,809	900	74	_	<u> </u>
Total assets	\$174,061	\$14,824	\$167,171	\$9,630	(\$2,467)	(\$15,097)
Liabilities and Net Assets Current liabilities						
Current portion of long-term debt and capital leases	\$2,498	\$8	\$2,171	\$264	\$ -	\$55
Accounts payable and accrued expenses	23,343	3,014	17,403	2,580	121	225
Estimated third party payor settlements, net	8,987	-	8,987		-	
Other	6.675	(4,034)	5,650	4,946	8	105
Total current liabilities	41,503	(1,012)	34,211	7,790	129	385
Long-term debt, net	55,563	163	47,254	6,576	-	1,570
Other liabilities	3,160	4	3,022	119	-	15
Pension liabilities	13,265	350	12,950	(86)	-	51
Insurance liabilities, net of current portion	23,103	20,023	2,440	236	208	196
Total liabilities	136,594	19,528	99,877	14,635	337	2,217
Net assets						
Unrestricted	32,889	(4,922)	65,037	(6,640)	(2,804)	(17,782)
Temporarily restricted	2,456	168	1,900	109	-	279
Permanently restricted	2,122	50	357	1,526	-	189
Total net assets	37,467	(4,704)	67,294	(5,005)	(2,804)	(17,314)
Total liabilities and net assets	\$174,061	\$14,824	\$167,171	\$9,630	(\$2,467)	(\$15,097) 54

Sisters of Providence Health System Consolidating Statement of Operations December 31, 2011

(ın thousands of dollars)	Sisters of Providence Health System Consolidated	Sisters of Providence Health System, Inc.	Mercy Hospital, Inc. and Subsidiaries	Continuing Care Network	Mercy Specialist Physicians	Brightside, Inc.	Eliminations
Unrestricted revenue, gains and other support							
Net patient service revenue	\$272,033	\$ -	\$234,171	\$33,657	\$2,233	\$1,972	\$ -
Other operating revenue, gains and other support	18,693	29,802	15,843	1,239	-	414	(28,605)
Total unrestricted revenue, gains and other support	290,726	29,802	250,014	34,896	2,233	2,386	(28,605)
Expenses							
Salaries, wages and benefits	165,976	13,801	126,961	21,011	2,492	1,711	-
Medical supplies	30,102	(22)	29,553	570	1	-	-
Purchased services, professional fees and other expenses	61,744	13,120	64,432	10,907	715	1,175	(28,605)
Depreciation and amortization	11,674	2,554	8,635	479	-	6	-
Interest	2,112	(353)	1,811	602	1	51	-
Insurance	3,558	432	2,897	156	67	6	-
Provision for bad debts	8,566		8,335	111	56	64	
Total operating expenses	283,732	29,532	242,624	33,836	3,332	3,013	(28,605)
Operating income (loss)	6,994	270	7,390	1,060	(1,099)	(627)	
Non-operating gains (losses)							
Investment returns, net	242	(86)	443	54	(18)	(151)	-
Equity in gains in earnings of unconsolidated organizations	2,973	2,863	110	-	-	-	-
Gain on sale of assets	7	-	7	-	-	-	-
Change in fair value of interest rate swaps	(723)	(4)	(604)	(100)		(15)	
Total non-operating gains (losses)	2,499	2,773	(44)	(46)	(18)	(166)	
Excess (deficit) of revenues over expenses	\$9,493	\$3,043	\$7,346	\$1,014	(\$1,117)	(\$793)	\$ -

Sisters of Providence Health System Consolidating Statement of Changes in Net Assets December 31, 2011

(ın thousands of dollars)	Sisters of Providence Health System Consolidated	Sisters of Providence Health System, Inc.	Mercy Hospital, Inc. and Subsidiaries	Continuing Care Network	Mercy Specialist Physicians	Brightside, Inc.
(III bloadalido di dollalo)			Cubsidianes	oute Network	Tilysiolalis	
Unrestricted net assets						
Excess (deficit) of revenues over expenses	\$9,493	\$3,043	\$7,346	\$1,014	(\$1,117)	(\$793)
Decrease in pension liability adjustment	(5,190)	40	(4,978)	(124)	-	(128)
Net assets released from restrictions for capital expenditures	664		639	25	-	
Increase (decrease) in unrestricted net assets before discontinued operations	4,967	3,083	3,007	915	(1,117)	(921)
Loss from discontinued operations	(18)		(18)	-	-	
Increase (decrease) in unrestricted net assets	4,949	3,083	2,989	915	(1,117)	(921)
Temporarily restricted net assets						
Contributions	766	(13)		59	-	(10)
Investment income	64	4	47	4	-	9
Change in unrealized losses on investments Net assets released from restrictions	(58)	(4)	(40)	(4)	-	(10)
Other changes	(866) (68)	(75)	(729) (68)	(44)	-	(18)
-			,			(20)
(Decrease) increase in temporarily restricted net assets	(162)	(88)	(60)	15	<u> </u>	(29)
Permanently restricted net assets						
Net realized and unrealized (losses) gains on investments	(87)		-	(89)	-	2
(Decrease) increase in permanently restricted net assets	(87)	_	-	(89)	-	2
Increase (decrease) in net assets	4,700	2,995	2,929	841	(1,117)	(948)
Beginning of year	32,767	(7,699)	64,365	(5,846)	(1,687)	(16,366)
End of year	\$37,467	(\$4,704)	\$67,294	(\$5,005)	(\$2,804)	(\$17,314)

St. Peter's Health Partners Consolidating Balance Sheet December 31, 2011

(ın thousands of dollars)	St. Peter's Health Partners	St. Peter's Health Care Services, Inc.	Northeast Health	Seton Health	St. Peter's Health Partners Corporate	St. Peter's Health Partners Eliminations
Assets						
Current assets						
Cash and cash equivalents	\$100,262	\$31,212	58,898	10,152	\$ -	\$ -
Investments	123,153	48,467	33,783	40,903	-	-
Marketable securities whose use is limited	1,162	925	1	236	-	-
Patient accounts receivable, less allowance for uncollectibles of \$59,926	98,017	50,393	37,280	10,819	-	(475)
Other accounts receivable	20,451	6,317	12,489	3,706	137	(2,198)
Prepaid expenses and inventories	19,378	7,792	8,418	2,967	201	<u>-</u>
Total current assets	362,423	145,106	150,869	68,783	338	(2,673)
Marketable securities and investments whose use is limited						
Board-designated funds	127,197	45,567	55,743	25,887	-	-
Trustee-held funds	44,919	42,223	2,696	-	-	-
Donor-restricted funds	69,707	26,237	40,191	3,279	-	-
Investments	24,055	21,778	2,040	237	_	
Total marketable securities and investments whose use is limited	265,878	135,805	100,670	29,403	-	-
Property and equipment, net	648,922	341,086	188,944	25,486	93,406	-
Investment in unconsolidated organizations	1,148	1,148	-	-	-	-
Other assets	53,232	33,561	17,142	4,918	(2,389)	
Total assets	\$1,331,603	\$656,706	\$457,625	\$128,590	\$91,355	(\$2,673)
Liabilities and Net Assets Current liabilities						
Current portion of long-term debt and capital lease obligations	\$15,991	\$11,099	\$4,150	\$742	\$ -	\$ -
Accounts payable and accrued expenses	84,699	42,647	28,987	13,511	286	(732)
Estimated third party payor settlements, net	31,097	13,099	12,499	5,499	-	-
Other	14,942	5,550	8,796	2,487	50	(1,941)
Total current liabilities	146,729	72,395	54,432	22,239	336	(2,673)
Long-term debt, net	359,476	256,001	61,433	42,042	-	-
Other liabilities	23,511	7,038	12,512	3,961	-	-
Pension liabilities	46,612	7,014	33,627	5,971	-	-
Insurance liabilities, net of current portion	43,611	33,188	8,357	2,066	-	=
Deferred revenue from entrance fees	49,122		49,122	-	-	-
Total liabilities Net assets	669,061	375,636	219,483	76,279	336	(2,673)
Unrestricted	597,378	268,300	189,232	48,827	91,019	_
Temporarily restricted	39,856	6,158	30,735	2,963		_
Permanently restricted	25,308	6,612	18,175	521	_	_
Total net assets	662,542	281,070	238,142	52,311	91,019	
Total liabilities and net assets	\$1,331,603	\$656,706	\$457,625	\$128,590	\$91,355	(\$2,673)

St. Peter's Health Partners Consolidating Statement of Operations December 31, 2011

	St. Peter's Health	St. Peter's Health Care	Northeast		St. Peter's Health Partners	St. Peter's Health Partners
(In thousands of dollars)	<u>Partners</u>	Services, Inc.	Health	Seton Health	Corporate	Eliminations
Unrestricted revenue, gains and other support						
Net patient service revenue	\$637,736	\$515,563	\$87,996	\$35,147	\$ -	(\$970)
Other operating revenue, gains and other support	31,336	19,487	10,998	885	-	(34)
Total unrestricted revenues, gains and other support	669,072	535,050	98,994	36,032	-	(1,004)
Expenses						
Salaries, wages and benefits	329,822	252,173	56,633	21,016	-	-
Medical supplies	114,658	101,498	9,647	3,513	-	-
Purchased services, professional fees and other expenses	126,210	102,762	16,798	7,654	-	(1,004)
Depreciation and amortization	35,920	28,245	6,235	773	667	-
Interest	12,801	11,900	729	172	-	-
Insurance	7,005	4,372	2,081	552	-	-
Provision for bad debts	26,115	20,501	4,643	971	_	
Total operating expenses	652,531	521,451	96,766	34,651	667	(1,004)
Operating income (loss)	16,541	13,599	2,228	1,381	(667)	-
Non-operating gains						
Investment returns, net	5,025	75	2,594	2,356	-	-
Equity in in gains in earnings of unconsolidated organizations	1,394	1,394	-	-	-	-
(Loss) gains on sale of assets	(7)	45	(53)		-	-
Unrestricted contribution income	322,947	-	182,845	48,416	91,686	-
Other non-operating losses	(2)	-	-	(2)	-	-
Change in fair value of interest rate swaps	(434)	(273)	(161)	-	_	
Total non-operating gains	328,923	1,241	185,225	50,771	91,686	_
Excess of revenues over expenses	\$345,464	\$14,840	\$187,453	\$52,152	\$91,019	\$ -

St. Peter's Health Partners Consolidating Statement of Changes in Net Assets December 31, 2011

(in thousands of dollars)	St. Peter's Health Partners	St. Peter's Health Care Services, Inc.	Northeast Health	Seton Health	St. Peter's Health Partners Corporate
Unrestricted net assets					
Excess of revenues over expenses	\$345,464	\$14,840	\$187,453	\$52,152	\$91,019
Increase (decrease) in pension liability adjustment	6,792	13,001	(2,757)	(3,452)	-
Net assets released from restrictions for capital expenditures	18,945	18,572	334	39	-
Other changes	5,530	1,240	4,201	89	
Increase in unrestricted net assets	376,731	47,653	189,231	48,828	91,019
Temporarily restricted net assets					
Contributions	4,775	3,851	848	76	-
Investment income	162	168	(6)	=	=
Change in unrealized losses on investments	(107)	-	(107)	-	-
Net assets released from restrictions	(20,369)	(19,996)	(334)	(39)	-
Temporarily restricted contribution income	33,202	=	30,276	2,926	=
Other changes	20	(38)	57	-	1_
Increase (decrease) in temporarily restricted net assets	17,683	(16,015)	30,734	2,963	1
Permanently restricted net assets					
Contributions	67	27	40	-	-
Net realized and unrealized (losses) gains on investments	(290)	(291)	1	_	-
Permanently restricted contribution income	18,670	-	18,149	521	-
Other changes	(15)	-	(13)	(1)	(1)
Increase (decrease) in permanently restricted net assets	18,432	(264)	18,177	520	(1)
Increase in net assets	412,846	31,374	238,142	52,311	91,019
Beginning of year	249,696	249,696	-	-	-
End of year	\$662,542	\$281,070	\$238,142	\$52,311	\$91,019

St. James Mercy Health System Consolidating Balance Sheet December 31, 2011

(in thousands of dollars)	St. James Mercy Health System	Eliminations	Corporate Office	St. James Mercy Hospital	SJM Properties	St. James Mercy Foundation
	System	Lillilliations	Office	Hospital	Froperties	Touridation
Assets						
Current assets	40.505	•	•	44.00 5	4000	0000
Cash and cash equivalents	\$2,525	\$ -	\$ -	\$1,995	\$262	\$268
Investments	2,856	-	-	2,554	302	-
Patient accounts receivable, net of estimated uncollectibles of \$2,478 Other accounts receivable	5,799 977	-	-	5,799 977	-	-
Prepaid expenses and inventories	977 1,924	-	-	977 1,825	92	- 7
Assets held for sale	1,924	-	-	1,623	92	1
Total current assets	14,108		<u>-</u>	13,177	 656	275
Total culterit assets	14, 100	-	-	13,177	030	213
Marketable securities and investments whose use is limited						
Board-designated funds	5,806	-	-	5,298	_	508
Donor-restricted funds	480	-	-	-	-	480
Investments	340	(13,623)	13,390	220	_	353
Total marketable securities and investments whose use is limited	6,626	(13,623)	13,390	5,518	-	1,341
Property and equipment, net	14,535	-	-	13,617	886	32
Other assets	6,512	(445)	-	6,957		
Total assets	\$41,781	(\$14,068)	\$13,390	\$39,269	\$1,542	\$1,648
Liabilities and Net Assets						
Current liabilities						
Current portion of long-term debt and capital lease obligations	\$661	(\$59)	\$ -	\$675	\$45	\$ -
Accounts payable and accrued expenses	5,916	· -	-	5,860	52	4
Estimated third party payor settlements, net	4,073	-	-	4,073	-	-
Other	652		=	652	=	=
Total current liabilities	11,302	(59)	-	11,260	97	4
Long-term debt, net	7,731	-	=	7,431	300	-
Other liabilities	656	(399)	-	627	370	58
Insurance liabilities, net of current portion	8,473	-	-	8,473	_	-
Total liabilities	28,162	(458)	-	27,791	767	62
Net assets						
Unrestricted	13,121	(13,120)	13,120	11,250	775	1,096
Temporarily restricted	228	(220)	-	228	-	220
Permanently restricted	270	(270)	270			270
Total net assets	40.040	(40.040)	12 200	11 170	775	1,586
	13,619	(13,610)	13,390	11,478	115	1,566

St. James Mercy Health System Consolidating Statement of Operations December 31, 2011

(ın thousands of dollars)	St. James Mercy Health System	Eliminations	St. James Mercy Hospital	SJM Properties	St. James Mercy Foundation
			•	•	
Unrestricted revenue, gains and other support	4		4		
Net patient service revenue	\$55,909	\$ -	\$55,909	\$ -	\$ -
Other operating revenue, gains and other support	1,363	(446)	1,018	501	290
Total unrestricted revenue, gains and other support	57,272	(446)	56,927	501	290
Expenses					
Salaries, wages and benefits	34,582	-	34,404	56	122
Medical supplies	4,846	-	4,846	-	-
Purchased services, professional fees and other expenses	16,439	(446)	16,481	242	162
Depreciation and amortization	2,438	-	2,357	81	-
Interest	351	(20)	332	39	-
Insurance	783	-	777	6	-
Provision for bad debts	2,440	403	2,037	-	
Total operating expenses	61,879	(63)	61,234	424	284
Operating (loss) income	(4,607)	(383)	(4,307)	77	6
Non-operating gains (losses)					
Investment returns, net	134	(20)	218	2	(66)
Loss on sale of assets	(64)	-	(64)	-	-
Loss on extinguishment of debt	(539)		(539)		
Total non-operating (losses) gains	(469)	(20)	(385)	2	(66)
(Deficit) excess of revenues over expenses	(\$5,076)	(\$403)	(\$4,692)	\$79	(\$60)

St. James Mercy Health System Consolidating Statement of Changes in Net Assets December 31, 2011

(in thousands of dollars)	St. James Mercy Health System	Eliminations	Corporate Office	St. James Mercy Hospital	SJM Properties	St. James Mercy Foundation
Unrestricted net assets						
(Deficit) excess of revenue over expenses	(\$5,076)	(\$403)	\$ -	(\$4,692)	\$79	(\$60)
Net assets released from restrictions for capital expenditures	17		-	17	· -	-
Other changes	352	5,000	(5,000)	352	-	-
(Decrease) increase in unrestricted net assets before discontinued operations	(4,707)	4,597	(5,000)	(4,323)	79	(60)
Loss from discontinued operations	(696)	-	-	(696)	-	-
(Decrease) increase in unrestricted net assets	(5,403)	4,597	(5,000)	(5,019)	79	(60)
Temporarily restricited net assets						
Contributions	62	(62)	-	62	-	62
Net assets released from restrictions	(41)	41	-	(41)	-	(41)
Increase (decrease) in temporarily restricted net assets	21	(21)	-	21	-	21
(Decrease) increase in net assets	(5,382)	4,576	(5,000)	(4,998)	79	(39)
Beginning of year	19,001	(18,186)	18,390	16,476	696	1,625
End of year	\$13,619	(\$13,610)	\$13,390	\$11,478	\$775	\$1,586

Maxis Health System Consolidating Balance Sheet December 31, 2011

December 31, 2011				т.:		
(ın thousands of dollars)	Maxis Health System	Maxis HIth System - Eliminations	Marian Community Hospital	Tri- CountyHuman Services Center, Inc.	Maxis Foundation	Maxis Medical Services
Assets						
Current assets						
Cash amd cash equivalents	\$214	\$ -	\$ -	\$ -	\$189	\$25
Investments	548	Ψ -	Ψ-	Ψ -	548	
Marketable securities whose use is limited	8	_	8	_	-	_
Patient accounts receivable, net of estimated uncollectibles of \$792	2,293	_	1,842	419	_	32
Other accounts receivable	147	(31)	177	-	1	-
Prepaid expenses and inventories	859	-	859	_	· <u>-</u>	_
Total current assets	4,069	(31)	2,886	419	738	57
	,	` ,	,			
Marketable securities and investments whose use is limited						
Board-designated funds	3,996	-	3,996	-	-	-
Trustee-held funds	1,465	-	1,465	-	-	-
Total marketable securities and investments whose use is limited	5,461	-	5,461	-	-	
Property and equipment, net	5,905	-	5,630	-	272	3
Investments in unconsolidated organizations	15	-	15	-	-	-
Assets held for sale	10	-	10	-	-	-
Other assets	2,176_	(665)	2,841	-	-	<u>-</u>
Total assets	\$17,636	(\$696)	\$16,843	\$419	\$1,010	\$60
Liabilities and Net Assets						
Current liabilities						
Current portion of long-term debt and capital leases	\$809	\$ -	\$809	\$ -	\$ -	\$ -
Accounts payable and accrued expenses	32,147	(31)	32,147	-	31	-
Estimated third party payor settlements, net	813	-	406	407	-	-
Other	426		426	-	-	-
Total current liabilities	34,195	(31)	33,788	407	31	-
Long-term debt, net	8,900	=	8,900	-	-	-
Other liabilities	167	-	167	-	-	-
Pension liabilities	5,597	-	5,597	-	-	-
Insurance liabilities, net of current portion	2,880	-	2,880	-	-	-
Total liabilities	51,739	(31)	51,332	407	31	-
Net assets						
Unrestricted	(34,103)	-	(35,154)	12	979	60
Temporarily restricted) o	(665)	665	-	-	-
Total net assets	(34,103)	(665)	(34,489)	12	979	60
Total liabilities and net assets	\$17,636	(\$696)	\$16,843	\$419	\$1,010	\$60
				-		

Maxis Health System Consolidating Statement of Operations December 31, 2011

(in thousands of dollars)	Maxis Health System	Marian Community Hospital	Maxis Foundation
Unrestricted revenue, gains and other support Other operating revenue, gains and other support	\$145	\$ -	\$145
Total unrestricted revenue, gains and other support	145		145
Expenses			
Purchased services, professional fees and other expenses	60	=	60
Depreciation and amortization	13	-	13
Interest	2		2
Total operating expenses	75		75
Operating income	70	-	70
Non-operating gains (losses)			
Investment returns, net	44	44	-
Equity in gains in earnings of unconsolidated organizations	2	2	-
Gain on sale of assets	4	4	-
Change in fair value of interest rate swaps	(126)	(126)	_
Total non-operating losses	(76)	(76)	
(Deficit) excess of revenues over expenses	(\$6)	(\$76)	\$70

Maxis Health System Consolidating Statement of Changes in Net Assets December 31, 2011

(in thousands of dollars)	Maxis Health System	Maxis HIth System - Eliminations	Marian Community Hospital	Tri- CountyHuman Services Center, Inc.	Maxis Medical Services	Maxis Medical Services
Unrestricted net assets (Deficit) excess of revenue over expenses Decrease in pension liability adjustment Other changes	(\$6) (2,292) (330)	\$ - - -	(\$76) (2,292) (305)	\$ - - -	\$70 0 (25)	\$ - - -
(Decrease) increase in unrestricted net assets before discontinued operations	(2,628)	-	(2,673)	-	45	-
Loss from discontinued operations (Decrease) increase in unrestricted net assets	(12,618) (15,246)	-	(12,643) (15,316)	<u>-</u>	- 45	25 25
Temporarily restricited net assets Contributions	(3)	(41)	38	-		
(Decrease) increase in temporarily restricted net assets (Decrease) increase in net assets	(3)	(41)	(15,278)	<u>-</u>		25
Beginning of year	(18,854)	(624)	(19,211)	12	934	35
End of year	(\$34,103)	(\$665)	(\$34,489)	\$12	\$979	\$60

Mercy Health System of SEPA Consolidating Balance Sheet December 31, 2011

(in thousands of dollars)	Mercy Health System of SEPA	Mercy Catholic Medical Center	Mercy Suburban Hospital	E Norriton Phys Serv - Hospital Based	Nazareth Hospital	Nazareth Health Care Foundation	St Agnes Continuing Care Corp and Subs	St Agnes LIFE
Assets								
Current assets								
Cash and cash equivalents	\$224,926	(\$36,279)	\$16,298	\$780	\$25,995	\$1,592	(\$36,774)	\$12,830
Investments	255	-	255		-	-	-	-
Patient accounts receivable, net of estimated uncollectibles of \$87,796	73,582	36,355	11,157	161	14,338			406
Other accounts receivable	6,295	1,307	217	-	132	1	91	114
Prepaid expenses and inventories	15,525	5,833	2,819	- 044	4,161	4 500	(20, 050)	243
Total current assets	320,583	7,216	30,746	941	44,626	1,593	(36,656)	13,593
Marketable securities and investments whose use is limited								
Board-designated funds	10,000	-	-	-	-	-	-	-
Trustee-held funds	3,894	2,082	1,361	-	-	-	-	-
Donor-restricted funds	5,805	3,872	196	-	-	1,179	21	2
Total marketable securities and investments whose use is limited	19,699	5,954	1,557	-	-	1,179	21	2
Property and equipment, net	167,871	64,852	39,752	-	36,287	-	-	464
Investments in unconsolidated organizations	135,138	33	603	-	1,991	-	769	-
Goodwill	32	-	-	-	-	-	-	-
Other assets	97,036	38,336	12,089	-	12,509	-	1,483	1,491
Total assets	\$740,359	\$116,391	\$84,747	\$941	\$95,413	\$2,772	(\$34,383)	\$15,550
Liabilities and Net Assets Current liabilities								
Current portion of long-term debt and capital lease obligation	\$8,905	\$4,386	\$1,253	\$ -	\$1,129	\$ -	\$ -	\$ -
Accounts payable and accrued expenses	71,309	22,990	9,000	446	12,600	23	371	4,237
Estimated third party payor settlements, net	23,036	11,725	6,356		3,981	-	175	799
Other	49,791 153,041	(16,713) 22,388	(3,538)) 11,129 11,575	3,764 21,474	344 367	975 1,521	801 5,837
Total current liabilities	153,041	22,388	13,071	11,5/5	21,474	307	1,521	5,637
Long-term debt, net	156,391	65,073	30,622	-	23,649	-	-	-
Other liabilities	15,153	309	209	-	1,669	-	-	2,155
Pension liabilities	136,638	57,688	21,214	-	22,735	-	8,434	-
Insurance liabilities, net of current portion	91,861	42,790	11,469	475	14,623	-	1,592	171
Total liabilities	553,084	188,248	76,585	12,050	84,150	367	11,547	8,163
Net assets								
Unrestricted	179,979	(75,729)	7,966		11,263	1,226	(45,951)	5,894
Temporarily restricted	3,328	1,395	196		-	1,179	21	2
Permanently restricted	3,968 187,275	2,477 (71,857)	8,162	(11 100)	11,263	2,405	(45,930)	1,491 7,387
Total net assets				(11,109)				· · · · · ·
Total liabilities and net assets	\$740,359	\$116,391	\$84,747	\$941	\$95,413	\$2,772	(\$34,383)	\$15,550

Mercy Health System of SEPA Consolidating Balance Sheet December 31, 2011

(ın thousands of dollars)	Mercy Health Plan	Mercy Home Health Services Consolidated	Mercy Management	Mercy Eastwick, Inc	Nazareth Physician Services	N E Physician Services, Inc	Mercy Health System Foundation	Mercy Home Office	Eliminations
Assets									
Current assets									
Cash and cash equivalents	\$ -	\$18,650	\$8,317	(\$13,855)	(\$3,200)	(\$150)	\$1,500	\$229,222	\$ -
Investments	-	-	-	-	-	` - ´	-	-	-
Patient accounts receivable, net of estimated uncollectibles of \$87,796	-	7,622	3,707	-	186	-	-	-	(350)
Other accounts receivable	-	9	162	72	50	3	-	4,254	(117)
Prepaid expenses and inventories	-	343	215	212	3	-	-	1,669	-
Total current assets	-	26,624	12,401	(13,571)	(2,961)	(147)	1,500	235,145	(467)
Marketable securities and investments whose use is limited									
Board-designated funds	-	-	-	-	-	-	-	10,000	-
Trustee-held funds	-	-	-	-	-	-	-	451	-
Donor-restricted funds		-	-	-	-	-	535	-	<u> </u>
Total marketable securities and investments whose use is limited	-	-	-	-	-	-	535	10,451	-
Property and equipment, net	-	318	623	3,922	3	-	-	21,650	-
Investments in unconsolidated organizations	124,574	-	4,370	636	-	-	-	2,162	-
Goodwill	-	-	16	-	16	-	-	-	-
Other assets	29,126	-	27	-	10	-	-	1,965	-
Total assets	\$153,700	\$26,942	\$17,437	(\$9,013)	(\$2,932)	(\$147)	\$2,035	\$271,373	(\$467)
Liabilities and Net Assets									
Current liabilities									
Current portion of long-term debt and capital lease obligation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$2,137	\$ -
Accounts payable and accrued expenses	357	3,979	6,008	206	373	1	-	10,835	(117)
Estimated third party payor settlements, net				-		-	-	-	
Other	4,207	3,742	59,063	15,143	1,661	1,139	-	(26,412)	(5,514)
Total current liabilities	4,564	7,721	65,071	15,349	2,034	1,140	-	(13,440)	(5,631)
Long-term debt, net	-	-	-	-	-	-	-	37,047	-
Other liabilities	-	1,496	231	6,187	17	-	-	2,880	-
Pension liabilities	-	5,877	10,952	-	-	-	-	9,738	-
Insurance liabilities, net of current portion		-	16,265	-	-	-	-	4,476	
Total liabilities	4,564	15,094	92,519	21,536	2,051	1,140	-	40,701	(5,631)
Net assets									
Unrestricted	149,136	11,848	(75,082)	(30,549)	(4,983)	(1,287)	1,500	230,672	5,164
Temporarily restricted	-	-	-	-	` - <i>`</i>	- 1	535	-	-
Permanently restricted		<u>-</u>		<u>-</u>	<u>-</u>	<u>-</u>	-	<u>-</u>	<u>-</u>
Total net assets	149,136	11,848	(75,082)	(30,549)	(4,983)	(1,287)	2,035	230,672	5,164
Total liabilities and net assets	\$153,700	\$26,942	\$17,437	(\$9,013)	(\$2,932)	(\$147)	\$2,035	\$271,373	(\$467)

Mercy Health System of SEPA Consolidating Statement of Operations December 31, 2011

(ın thousands of dollars)	Mercy Health System of SEPA	Mercy Catholic Medical Center	Mercy Suburban Hospital	E Norriton Phys Serv - Hospital Based	Nazareth Hospital	Nazareth Health Care Foundation	St Agnes Continuing Care Corp and Subs	St Agnes LIFE
Unrestricted revenue, gains and other support								
Net patient service revenues	\$769,131	\$362,451	\$121,411	\$1,901	\$168,856	\$ -	\$ -	\$29,853
Other operating revenue, gains and other support	90,903	13,667	712	1,991	3,392	168	2	88
Total unrestricted revenue, gains and other support	860,034	376,118	122,123	3,892	172,248	168	2	29,941
Expenses								
Salaries, wages and benefits	393,836	152,789	50,686	-	74,183	60	-	11,697
Medical supplies	72,558	35,824	13,756	-	18,954	-	_	2,482
Purchased services, professional fees and other expenses	224,317	106,941	36,595	3,734	42,387	47	-	16,142
Depreciation and amortization	23,362	10,235	4,543	-	4,293	-	-	170
Interest	5,410	2,323	1,018	-	784	-	-	-
Insurance	19,701	7,423	2,267	65	4,666	-	-	355
Provision for bad debts	89,364	51,980	12,431	71	24,432	-	-	-
Total operating expenses	828,548	367,515	121,296	3,870	169,699	107	-	30,846
Operating income (loss)	31,486	8,603	827	22	2,549	61	2	(905)
Non-operating gains (losses)								
Investment returns, net	582	(414)	667	(22)	157	-	(291)	111
Equity in gains in earnings of unconsolidated organizations	695	5	10	-	275	-	106	-
Restructuring expenses and impairment losses	(122)	48	-	-	-	-	-	-
Gain on sale of assets	94,850	-	-	-	3	-	-	(12)
Change in fair value of interest rate swaps	(2,077)	-	-	-	-	-	-	-
Total non-operating gains (losses)	93,928	(361)	677	(22)	435	-	(185)	99
Excess (deficit) of revenues over expenses	\$125,414	\$8,242	\$1,504	\$ -	\$2,984	\$61	(\$183)	(\$806)

Mercy Health System of SEPA Consolidating Statement of Operations December 31, 2011

	Morey Health	Mercy Home Health Services	Mercy	Мегсу	Nazareth Physician	N E Physician	Morey Home	
(in thousands of dollars)	Plan	Consolidated	Management	Eastwick, Inc	Services	Services, Inc	Office	Eliminations
Unrestricted revenue, gains and other support								
Net patient service revenues	\$ -	\$47,475	\$34,532	\$ -	\$2,354	\$298	\$ -	\$ -
Other operating revenue, gains and other support	62,680	46	14,879	1,769	-	3	114,287	(122,781)
Total unrestricted revenue, gains and other support	62,680	47,521	49,411	1,769	2,354	301	114,287	(122,781)
Expenses								
Salaries, wages and benefits	-	35,461	45,958	=	3,716	284	65,850	(46,848)
Medical supplies	-	561	913	=	60	8	-	-
Purchased services, professional fees and other expenses	3,705	5,408	14,056	9,647	1,589	41	59,958	(75,933)
Depreciation and amortization	-	136	180	283	5	-	3,517	-
Interest	-	-	-	-	-	-	1,285	-
Insurance	-	349	3,931	11	228	6	400	-
Provision for bad debts		-	414	16	-	-	20	
Total operating expenses	3,705	41,915	65,452	9,957	5,598	339	131,030	(122,781)
Operating income (loss)	58,975	5,606	(16,041)	(8,188)	(3,244)	(38)	(16,743)	-
Non-operating gains (losses)								
Investment returns, net	-	138	(43)	(100)	(26)	(5)	410	-
Equity in gains in earnings of unconsolidated organizations	-	-	400	-	-	-	299	(400)
Restructuring expenses and impairment losses	-	-	(170)	-	-	-	-	-
Gain on sale of assets	94,859	-	-	-	-	-	-	-
Change in fair value of interest rate swaps		-	-	-	-	-	(2,077)	
Total non-operating gains (losses)	94,859	138	187	(100)	(26)	(5)	(1,368)	(400)
Excess (deficit) of revenues over expenses	\$153,834	\$5,744	(\$15,854)	(\$8,288)	(\$3,270)	(\$43)	(\$18,111)	(\$400)

Mercy Health System of SEPA Consolidating Statement of Changes in Net Assets December 31, 2011

(In thousands of dollars)	Mercy Health System of SEPA	Mercy Catholic Medical Center	Mercy Suburban Hospital	E Norriton Phys Serv - Hospital Based	Nazareth Hospital	Nazareth Health Care Foundation	St Agnes Continuing Care Corp and Subs	St Agnes LIFE
Unrestricted net assets								
Excess (deficit) of revenue over expenses	\$125,414	\$8,242	\$1,504	\$ -	\$2,984	\$61	(\$183)	(\$806)
Change in unrealized losses on available-for-sale securitites	(3,657)	· · ·	-	· -	-	-	-	-
Decrease in pension liability adjustment	(53,870)	(20,113)	(7,011)) -	(10,864)	-	(3,594)	-
Net assets released from restrictions for capital expenditures	582	243	51	-	382	-	-	(94)
Other changes	(237)	22	5	-	(80)	-	(35)	2
Increase in unrestricted net assets before discontinued operations	68,232	(11,606)	(5,451)	\$0	(7,578)	61	(3,812)	(898)
Loss from discontinued operations	(1,417)		-	-	-	-	(1,417)	-
Increase (decrease) in unrestricted net assets	66,815	(11,606)	(5,451)	-	(7,578)	61	(5,229)	(898)
Temporarily restricited net assets								
Contributions	1,363	248	108	-	-	852	122	-
Investment income	4	-	-	-	-	-	-	-
Net assets released from restrictions	(872)	(151)	(58)	-	(438)	-	(122)	-
Increase (decrease) in temporarily restricted net assets	495	97	50	-	(1)	415	0	
Permanently restricited net assets								
Other changes	(169)		-	-	-	-	(1,660)	1,491
(Decrease) increase in permanently restricted net assets	(169)		-	-		-	(1,660)	1,491
Increase (decrease) in net assets	67,141	(11,509)	(5,401)	-	(7,579)	476	(6,889)	593
Beginning of year	120,134	(60,348)	13,563	(11,109)	18,842	1,929	(39,041)	6,794
End of year	\$187,275	(\$71,857)	\$8,162	(\$11,109)	\$11,263	\$2,405	(\$45,930)	\$7,387

Mercy Health System of SEPA Consolidating Statement of Changes in Net Assets December 31, 2011

(In thousands of dollars)	Mercy Health Plan	Mercy Home Health Services Consolidated	Mercy Management	Mercy Eastwick, Inc	Nazareth Physician Services	N E Physician Services, Inc	Mercy Health System Foundation	Mercy Home Office	Eliminations
Unrestricted net assets									
Excess (deficit) of revenue over expenses	\$153.834	\$5,744	(\$15,854)	(\$8,288)	(\$3,270)	(\$43)	\$ -	(\$18,111)	(\$400)
Change in unrealized losses on available-for-sale securitites	(3,657)		-	-	-	· · ·	· -	. , ,	-
Decrease in pension liability adjustment	(579)	(2,972)	(5,666)	-	-	-	-	(3,071)	-
Net assets released from restrictions for capital expenditures		-	-	-	-	-	-	-	-
Other changes	(197,769)	4	7	-	(1)	-	1,500	196,108	
Increase in unrestricted net assets before discontinued operations	(48,171)	2,776	(21,513)	(8,288)	(\$3,271)	(\$43)	\$1,500	174,926	(400)
Loss from discontinued operations		-	-	-	-	-	-	-	
Increase (decrease) in unrestricted net assets	(48,171)	2,776	(21,513)	(8,288)	(3,271)	(43)	1,500	174,926	(400)
Temporarily restricited net assets									
Contributions	-	33	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	4	-	-
Net assets released from restrictions		(33)	-	-	-	-	(70)	-	
Increase (decrease) in temporarily restricted net assets		-	-	-	-	-	(66)	-	
Permanently restricited net assets									
Other changes	-	-	_	_	-	_	-	_	_
(Decrease) increase in permanently restricted net assets		-	-	-	-	-	-	-	-
Increase (decrease) in net assets	(48,171)	2,776	(21,513)	(8,288)	(3,271)	(43)	1,434	174,926	(400)
Beginning of year	197,307	9,072	(53,569)	(22,261)	(1,712)	(1,244)	601	55,746	5,564
End of year	\$149,136	\$11,848	(\$75,082)	(\$30,549)	(\$4,983)	(\$1,287)	\$2,035	\$230,672	\$5,164

St Mary, Langhorne, PA Location Consolidating Balance Sheet December 31, 2011

(in thousands of dollars)	St Mary, Langhorne, PA Location	St Mary Medical Center	St Mary Foundation	Langhorne Services Inc	LIFE St Mary	Ambulatory Surgery Center at St Mary	Langhorne Physician Services	St Mary Eliminations
Assets								
Current assets								
Cash and cash equivalents	\$137,529	\$125,965	\$3,224	\$150	\$4,566	\$41	\$3,586	(\$3)
Patient accounts receivable, net of estimated uncollectibles of \$40,750	40,484	38,976	-	-	80	533	895	-
Other accounts receivable	9,780	64,363	(13,507)	(183)	22	75	(32,927)	(8,063)
Prepaid expenses and inventories	9,313	8,895	16	-	52	293	57	
Total current assets	197,106	238,199	(10,267)	(33)	4,720	942	(28,389)	(8,066)
Marketable securities and investments whose use is limited								
Trustee-held funds	27,316	27,316	-	-	-	-	-	-
Donor-restricted funds	11,533	-	11,533	-	-	-	-	-
Investments	54,711	53,538	1,173	-	-	-	-	<u>-</u>
Total marketable securities and investments whose use is limited	93,560	80,854	12,706	-	-	-	-	-
Property and equipment, net	178,559	171,610	21	_	1,412	4,569	947	-
Investments in unconsolidated organizations	5,129	5,020	=	109	=	=	=	=
Other assets	26,074	25,283	1,756	-	-	312	-	(1,277)
Total assets	\$500,428	\$520,966	\$4,216	\$76	\$6,132	\$5,823	(\$27,442)	(\$9,343)
Liabilities and Net Assets								
Current liabilities								
Current portion of long-term debt and capital lease obligations	\$4,641	\$3,042	\$ -	\$ -	\$ -	\$1,599	\$ -	\$ -
Portion of variable rate demand obligations classified as current	150	150	-	-	-	-	-	-
Accounts payable and accrued expenses	24,772	22,738	91	-	900	326	717	-
Estimated third party payor settlements, net	1,591	1,591	-	-	-	-	-	-
Other	23,429	14,245	847	142	8,217		8,044	(8,066)
Total current liabilities	54,583	41,766	938	142	9,117	1,925	8,761	(8,066)
Long-term debt, net	138,169	133,219	-	-	1,275	4,951	-	(1,276)
Other liabilities	7,250	6,232	-	-	-	-	-	1,018
Pension liabilities	17,358	17,358	-	-	-	-	-	-
Insurance liabilities, net of current portion	24,067	24,067	-	-	-	-	-	
Total liabilities	241,427	222,642	938	142	10,392	6,876	8,761	(8,324)
Net assets								
Unrestricted	251,756	298,324	(3,967)	(66)	(4,260)	(1,053)	(36,203)	(1,019)
Temporarily restricted	7,245		7,245	-	-	-	-	-
Total net assets	259,001	298,324	3,278	(66)	(4,260)	(1,053)	(36,203)	(1,019)
Total liabilities and net assets	\$500,428	\$520,966	\$4,216	\$76	\$6,132	\$5,823	(\$27,442)	(\$9,343)

St. Mary, Langhorne, PA Location Consolidating Statement of Operations December 31, 2011

(in thousands of dollars)	St. Mary, Langhorne, PA Location	St. Mary Medical Center	St. Mary Foundation	Langhorne Services Inc.	LIFE St. Mary	Ambulatory Surgery Center at St. Mary	Langhorne Physician Services	St. Mary Eliminations
Unrestricted revenue, gains and other support								
Net patient service revenue	\$430,171	\$411,420	\$ -	\$ -	\$7,284	\$803	\$10,664	\$ -
Other operating revenue, gains and other support	8,225	6,927	1,227	34	2	-	5,482	(5,447)
Total unrestricted revenue, gains and other support	438,396	418,347	1,227	34	7,286	803	16,146	(5,447)
Expenses								
Salaries, wages and benefits	191,386	171,163	993	-	3,525	1,009	14,696	-
Medical supplies	66,760	64,735	-	-	897	657	471	-
Purchased services, professional fees and other expenses	100,967	96,608	1,681	58	4,020	338	3,710	(5,448)
Depreciation and amortization	17,287	16,617	6	-	193	160	311	-
Interest	2,709	2,469	-	-	-	240	-	-
Insurance	6,266	4,322	-	17	73	28	1,826	-
Provision for bad debts	16,707	16,564	-	-	-	-	143	
Total operating expenses	402,082	372,478	2,680	75	8,708	2,432	21,157	(5,448)
Operating income (loss)	36,314	45,869	(1,453)	(41)	(1,422)	(1,629)	(5,011)	1
Non-operating gains (losses)								
Investment returns, net	1,294	1,373	(94)	1	17	-	(3)	-
Equity in gains in earnings of unconsolidated organizations	1,597	958	-	35	-	604	-	-
Change in fair value of interest rate swaps	(1,094)	(1,094)	-	-	-	-	-	
Total non-operating gains (losses)	1,805	1,245	(94)	36	17	604	(3)	
Excess (deficit) of revenues over expenses	\$38,119	\$47,114	(\$1,547)	(\$5)	(\$1,405)	(\$1,025)	(\$5,014)	\$1

St Mary, Langhorne, PA Location Consolidating Statement of Changes in Net Assets December 31, 2011

	St Mary,					Ambulatory Surgery	Langhorne	
	Langhorne, PA	St Mary Medical	St Mary	Langhorne		Center at St	Physician	St Mary
(in thousands of dollars)	Location	Center	Foundation	Services Inc	LIFE St Mary	Mary	Services	Eliminations
Unrestricted net assets								
Excess (deficit) of revenue over expenses	\$38,119	\$47,114	(\$1,547)	(\$5)	(\$1,405)	(\$1,025)	(\$5,014)	\$1
Decrease in pension liability adjustment	(9,687)	(9,687)	-	-	-	-	-	-
Net assets released from restrictions for capital expenditures	8,061	8,061	-	-	-	-	-	-
Other changes	(996)	(200)	=	=	=	-	=	(796)
Increase (decrease) in unrestricted net assets	35,497	45,288	(1,547)	(5)	(1,405)	(1,025)	(5,014)	(795)
Temporarily restricited net assets								
Contributions	121	-	121	-	-	-	-	-
Net assets released from restrictions	(6,287)	-	(6,287)	-	-	-	-	-
Other changes	(5)		(5)	-	-	-	-	-
Decrease in temporarily restricted net assets	(6,171)		(6,171)	-	-	_	-	
Increase (decrease) in net assets	29,326	45,288	(7,718)	(5)	(1,405)	(1,025)	(5,014)	(795)
Beginning of year	229,675	253,036	10,996	(61)	(2,855)	(28)	(31,189)	(224)
End of year	\$259,001	\$298,324	\$3,278	(\$66)	(\$4,260)	(\$1,053)	(\$36,203)	(\$1,019)

Our Lady of Lourdes Health Care Services Consolidating Balance Sheet December 31, 2011

(in thousands of dollars)	Our Lady of Lourdes Health Care Services	Eliminations	Lourdes Dialysis at Innova Inc	Health Care Services	Our LOL Medical Center	Lourdes Med Center of Burlington County	Our LOL Assoc Foundation, Inc	LIFE at Lourdes	Lourdes Ancillary Services Combined
Assets									
Current assets									
Cash and cash equivalents	\$5,395	\$ -	\$114	\$ -	(\$59)	\$661	\$71	\$2,531	\$2,077
Patient accounts receivable, net of estimated uncollectibles of \$22,442	50,451	· <u>-</u>	341	· <u>-</u>	30,576	13,426		49	6,059
Other accounts receivable	19,156	(213,813)	-	60,992	120,156	5,179	893	21	45,728
Prepaid expenses and inventories	11,159	-	4	273	8,493	2,181	7	13	188
Total current assets	86,161	(213,813)	459	61,265	159,166	21,447	971	2,614	54,052
Marketable securities and investments whose use is limited									
Board-designated funds	1,760	-	-	-	-	-	1,760	-	-
Donor-restricted funds	2,740		-	-	2,740	-	-	-	-
Total marketable securities and investments whose use is limited	4,500	-	-	-	2,740	-	1,760	-	-
Property and equipment, net	143,303	-	-	-	94,302	44,294	6	2,424	2,277
Investments in unconsolidated organizations	2,590	-	-	-	81	64	-	-	2,445
Assets held for sale	722	-	599	-	123	-	-	-	-
Goodwill	10,438	-	-	-	10,438	-	-	-	-
Other assets	14,864		-	-	9,940	3,485	-	-	1,439
Total assets	\$262,578	(\$213,813)	\$1,058	\$61,265	\$276,790	\$69,290	\$2,737	\$5,038	\$60,213
Liabilities and Net Assets Current liabilities									
Current portion of long-term debt and capital lease obligations	\$4,564	\$ -	\$ -	\$ -	\$3,302	\$1,128	\$ -	\$134	\$ -
Accounts payable and accrued expenses	55,335	-	83	4,003		8,471	291	1,516	5,731
Estimated third party payor settlements, net	9,059	-	-	-	4,445	4,614	-	-	-
Other	12,318	(206,397)	2,199	57,262		56,803	675	3,071	90,157
Total current liabilities	81,276	(206,397)	2,282	61,265	51,535	71,016	966	4,721	95,888
Long-term debt, net	126,374	(6,700)	-	-	76,554	56,233	-	287	-
Other liabilities	6,213	-	-	-	4,835	1,378	-	-	-
Pension liabilities	23,315	-	19	-	16,488	6,493	15	69	231
Insurance liabilities, net of current portion	17,031				11,478	5,553			
Total liabilities	254,209	(213,097)	2,301	61,265	160,890	140,673	981	5,077	96,119
Net assets	4.540		(4.244)		110.010	(71,000)	1.000	(25)	(3E 000)
Unrestricted Temporarily restricted	4,510 3,594	- (716)	(1,244)	-	112,310 3,335	(71,696) 313	1,083 663	(35) (4)	(35,908) 2
Permanently restricted	3,594 265	(716)	ı	-	3,335 255	0	10	(4)	2
Total net assets	8,369	(716)	(1,243)		115,900	(71,383)	1,756	(39)	(35,906)
Total liabilities and net assets	\$262,578	(\$213,813)	\$1.058	\$61,265	\$276.790	\$69,290	\$2,737	\$5.038	\$60,213
. The manifest and not accept	\$202,070	(4215,510)	Ψ1,300	Ψ0.,200	Ψ <u></u> 2.0,700	\$00,200	Ψ <u></u> ,, υ γ	ψυ,υυυ	Ψ00, <u>Σ10</u>

Our Lady of Lourdes Health Care Services Consolidating Statement of Operations December 31, 2011

(ın thousands of dollars)	Our Lady of Lourdes Health Care Services	Eliminations	Lourdes Dialysis at Innova Inc.	Our LOL Medical Center	Lourdes Med Center of Burlington County	Our LOL Assoc. Foundation, Inc.	LIFE at Lourdes	Lourdes Ancillary Services Combined
Unrestricted revenue, gains and other support								
Net patient service revenue	\$434,554	\$ -	\$ -	\$258,415	\$113,559	\$ -	\$15,448	\$47,132
Other operating revenue, gains and other support	11,936	(16,832)	-	4,923	1,686	3,505	451	18,203
Total unrestricted revenue, gains and other support	446,490	(16,832)	-	263,338	115,245	3,505	15,899	65,335
Expenses								
Salaries, wages and benefits	227,624	-	-	116,790	51,413	2,450	4,262	52,709
Medical supplies	63,682	-	-	48,109	14,012	271	46	1,244
Purchased services, professional fees and other expenses	120,102	(15,366)	-	71,596	33,551	1,074	9,894	19,353
Depreciation and amortization	16,523	-	-	11,235	4,184	1	423	680
Interest	4,190	(1,775)	-	2,576	1,884	-	31	1,474
Insurance	6,055	-	-	2,728	1,417	1	87	1,822
Provision for bad debts	17,472		-	6,979	7,576	-	-	2,917
Total operating expenses	455,648	(17,141)	-	260,013	114,037	3,797	14,743	80,199
Operating (loss) income	(9,158)	309	-	3,325	1,208	(292)	1,156	(14,864)
Non-operating gains (losses)								
Investment returns, net	842	(307)	(8)	1,040	77	22	13	5
Equity in losses in earning of unconsolidated organizations	(249)	=	=	=	-	-	=	(249)
Gain on aale of assets	1,671	-	-	(1)	1,671	-	-	1
Change in fair value of interest rate swaps	(1,627)		-	(1,009)	(618)		-	
Total non-operating gains (losses)	637	(307)	(8)) 30	1,130	22	13	(243)
(Deficit) excess of revenues over expenses	(\$8,521)	\$2	(\$8)	\$3,355	\$2,338	(\$270)	\$1,169	(\$15,107)

Our Lady of Lourdes Health Care Services Consolidating Statement of Changes in Net Assets December 31, 2011

(ın thousands of dollars)	Our Lady of Lourdes Health Care Services	Eliminations	Lourdes Dialysis at Innova Inc	Our LOL Medical Center	Lourdes Med Center of Burlington County	Our LOL Assoc Foundation, Inc	LIFE at Lourdes	Lourdes Ancillary Services Combined
Unrestricted net assets								
(Deficit) excess of revenue over expenses	(\$8,521)	\$2	(\$8)		\$2,338	(\$270)	\$1,169	(\$15,107)
Decrease in pension liability adjustment	(3,017)		-	(2,263)	(754)	-	=	-
Increase in unrestricted net assets before discontinued operations	(11,538)	2	(8)	1,092	1,584	(270)	1,169	(15,107)
Loss from discontinued operations (Decrease) increase in unrestricted net assets	(1,748) (13,286)	2	(1,355) (1,363)		- 1,584	(270)	- 1,169	(15,107)
Temporarily restricited net assets								
Contributions	446	-	-	122	48	276	_	-
Investment income	366	-	-	366	_	_	-	-
Change in unrealized losses on investments	(51)	-	-	(43)	(8)	_	_	-
Net assets released from restrictions	175 [°]	175	-	`-	-	-	-	-
Other changes	(1,289)	-	-	(584)	(211)	(494)	-	-
(Decrease) increase in temporarily restricted net assets	(353)	175	-	(139)	(171)	(218)	-	-
(Decrease) increase in net assets	(13,639)	177	(1,363)	560	1,413	(488)	1,169	(15,107)
Beginning of year	22,008	(893)	120	115,340	(72,796)	2,244	(1,208)	(20,799)
End of year	\$8,369	(\$716)	(\$1,243)	\$115,900	(\$71,383)	\$1,756	(\$39)	(\$35,906)

Pittsburgh Mercy Health System Consolidating Balance Sheet December 31, 2011

(In thousands of dollars)	Pittsburgh Mercy Health System	Pittsburgh Mercy Health System	McAuley Ministries	Mercy Life Center Corp (Behav)	Mercy Jeannette Hospital
Assets					
Current assets					
Cash and cash equivalents	\$28,679	\$774	\$3,395	\$25,522	(\$1,012)
Patient accounts receivable	4,419	-	-	4,419	(+ .,)
Other accounts receivable	8,993	774	2,338	5,881	-
Prepaid expenses and inventories	1,339	-	, <u>-</u>	1,339	-
Total current assets	43,430	1,548	5,733	37,161	(1,012)
Marketable securities and investments whose use is limited					
Board-designated funds	80,369	19,510	60,859	-	-
Trustee-held funds	230	-	-	_	230
Donor-restricted funds	3,443	3,443	-	-	
Total marketable securities and investments whose use is limited	84,042	22,953	60,859	-	230
Property and equipment, net	9,252	-	-	9,252	-
Other assets	8,062	262	7,356	444	
Total assets	\$144,786	\$24,763	\$73,948	\$46,857	(\$782)
Liabilities and Net Assets Current liabilities					
Current portion of long-term debt and capital lease obligations	\$519	\$ -	\$ -	\$519	\$ -
Accounts payable and accrued expenses	9,725	374	376	8,975	-
Other	2,657		-	2,464	193
Total current liabilities	12,901	374	376	11,958	193
Long-term debt, net	3,990	-	-	3,990	-
Other liabilities	203	-	-	-	-
Pension liabilities	17,653	-	-	-	17,653
Insurance liabilities, net of current portion	1,731	262		444	1,025
Total liabilities	36,478	636	376	16,392	18,871
Net assets	100.010	00.004	70 570	07.000	(04.000)
Unrestricted	100,048	20,361	73,572	27,938	(21,620)
Temporarily restricted	8,260	3,766	70.570	2,527	1,967
Total net assets	108,308	24,127	73,572	30,465	(19,653)
Total liabilities and net assets	\$144,786	\$24,763	\$73,948	\$46,857	(\$782)

Pittsburgh Mercy Health System Consolidating Statement of Operations December 31, 2011

(ın thousands of dollars)	Pittsburgh Mercy Health System	Pittsburgh Mercy Health System	McAuley Ministries	Mercy Life Center Corp (Behav)	Mercy Jeannette Hospital
Unrestricted revenue, gains and other support					
Net patient service revenue Other operating revenue, gains and other support	\$35,839 55,438_	\$ - 358	\$ - 1,688	\$35,839 53,392	\$ -
Total unrestricted revenue, gains and other support	91,277	358	1,688	89,231	
Expenses					
Salaries, wages and benefits	65,697	3,579	251	61,639	228
Purchased services, professional fees and other expenses	22,431	(3,221)	2,077	23,575	-
Depreciation and amortization	199		-	199	
Total operating expenses	88,327	358	2,328	85,413	228
Operating income	2,950	-	(640)	3,818	(228)
Non-operating gains (losses)					
Investment returns, net	(1,957)	(25)	(1,932)	-	-
Gain (loss) on sale of assets	846		1,125	-	(279)
Tota non-operating gains (losses)	(1,111)	(25)	(807)	-	(279)
Excess (deficit) of revenues over expenses	\$1,839	(\$25)	(\$1,447)	\$3,818	(\$507)

Pittsburgh Mercy Health System Consolidating Statement of Changes in Net Assets December 31, 2011

(ın thousands of dollars)	Pittsburgh Mercy Health System	Pittsburgh Mercy Health System	McAuley Ministries	Mercy Life Center Corp (Behav)	Mercy Jeannette Hospital
Unrestricted net assets					
Excess (deficit) of revenue over expenses	\$1,839	(\$25)	(\$1,447)	\$3,818	(\$507)
Decrease in pension liability adjustment	(7,296)	-	_	(212)	(7,084)
(Decrease) increase in unrestricted net assets	(4,669)	(7)	(1,447)	4,376	(7,591)
Temporarily restricited net assets					
Contributions	(823)	(325)	-	(498)	
Decrease in temporarily restricted net assets	(823)	(325)	-	(498)	
(Decrease) increase in net assets	(5,492)	(332)	(1,447)	3,878	(7,591)
Beginning of year	113,800	24,459	75,019	26,587	(12,062)
End of year	\$108,308	\$24,127	\$73,572	\$30,465	(\$19,653)

St. Francis Hospital and Affiliates Consolidating Balance Sheet December 31, 2011

(ın thousands of dollars)	St. Francis Hospital and Affiliates	St. Francis Hospital	St. Francis Foundation	Franciscan ElderCare Corporation	Life at St Francis Healthcare Inc
Assets					
Current assets					
Cash and cash equivalents	\$7,307	\$5,119	\$481	\$1,607	\$100
Patient accounts receivable, net of estimated uncollectibles of \$8,810	11,183	10,354	-	829	-
Other accounts receivable	1,217	1,169	1	47	-
Prepaid expenses and inventories	4,837	4,799	-	38	-
Total current assets	24,544	21,441	482	2,521	100
Marketable securities and investments whose use is limited					
Trustee-held funds	1,746	1,746	=	=	=
Donor-restricted funds	233	28	205	-	-
Total marketable securities and investments whose use is limited	1,979	1,774	205	-	-
Property and equipment, net	47,421	45,337	-	2,038	46
Investments in unconsolidated organizations	505	505	-	-	-
Other assets	4,317	3,986	-	331	- _
Total assets	\$78,766	\$73,043	\$687	\$4,890	\$146
Liabilities and Net Assets					
Current liabilities					
Current portion of long-term debt and capital lease obligations	\$1,573	\$1,467	\$ -	\$106	\$ -
Accounts payable and accrued expenses	48,204	47,598	2	604	-
Estimated third party payor settlements, net	2,179	2,129	-	50	-
Other	2,825	2,110	387	159	169
Total current liabilities	54,781	53,304	389	919	169
Long-term debt, net	40,929	37,918	-	3,011	-
Other liabilities	883	883	-	-	-
Pension liabilities	13,890	13,689	-	201	-
Insurance liabilities, net of current portion	8,227	6,766	-	1,461	-
Total liabilities	118,710	112,560	389	5,592	169
Net assets					
Unrestricted	(40,177)	(39,545)	93	(702)	(23)
Temporarily restricted	233	28	205		- (22)
Total net assets	(39,944)	(39,517)	298	(702)	(23)
Total liabilities and net assets	\$78,766	\$73,043	\$687	\$4,890	\$146 81

St. Francis Hospital and Affiliates Consolidating Statement of Operations December 31, 2011

(in thousands of dollars)	St. Francis Hospital and Affiliates	St. Francis Hospital	St. Francis Foundation	Franciscan ElderCare Corporation	Life at St Francis Healthcare Inc
Unrestricted revenue, gains and other support					
Net patient service revenue	\$132,440	\$124,872	\$ -	\$7,568	\$ -
Other operating revenue, gains and other support	6,152	5,920	166	66	-
Total unrestricted revenue, gains and other support	138,592	130,792	166	7,634	
Expenses					
Salaries, wages and benefits	64,606	58,628	89	5,866	23
Medical supplies	18,185	17,755	-	430	-
Purchased services, professional fees and other expenses	34,986	32,013	74	2,899	-
Depreciation and amortization	5,797	5,694	-	103	-
Interest	1,389	1,257	1	131	-
Insurance	2,247	2,217	1	29	-
Provision for bad debts	9,673	9,498	-	175	
Total operating expenses	136,883	127,062	165	9,633	23
Operating income (loss)	1,709	3,730	1	(1,999)	(23)
Non-operating gains (losses)					
Investment returns, net	(59)	(85)	-	26	-
Equity in gains in earnings of unconsolidated organizations	70	70	-	-	-
Gain on aale of assets	32	32	-	-	-
Change in fair value of interest rate swaps	(493)	(493)	-	_	
Total non-operating (losses) gains	(450)	(476)	-	26	
Excess (deficit) of revenues over expenses	\$1,259	\$3,254	\$1	(\$1,973)	(\$23)

St. Francis Hospital and Affiliates Consolidating Statement of Changes in Net Assets December 31, 2011

(in thousands of dollars)	St. Francis Hospital and Affiliates	St. Francis Hospital	St. Francis Foundation	Franciscan ElderCare Corporation	Life at St Francis Healthcare Inc
Unrestricted net assets					
Excess (deficit) of revenue over expenses	\$1,259	\$3,254	\$1	(\$1,973)	(\$23)
Decrease in pension liability adjustment	(5,800)	(5,800)	-	-	-
Net assets released from restrictions for capital expenditures	624	624	-	-	-
Other changes	(975)	(918)	1	(58)	
(Decrease) increase in unrestricted net assets before discontinued operations	(4,892)	(2,840)	2	(2,031)	(23)
Loss from discontinued operations	(2,102)	(2,102)	_	-	<u>-</u>
(Decrease) increase in unrestricted net assets	(6,994)	(4,942)	2	(2,031)	(23)
Temporarily restricted net assets					
Contributions	664	4	660	-	-
Net assets released from restrictions	(1,356)	(174)	(1,182)	-	-
Other changes	258	258	0	-	-
(Decrease) increase in temporarily restricted net assets	(434)	88	(522)		
(Decrease) increase in net assets	(7,428)	(4,854)	(520)	(2,031)	(23)
Beginning of year	(32,516)	(34,663)	818	1,329	_
End of year	(\$39,944)	(\$39,517)	\$298	(\$702)	(\$23)

St. Francis Medical Center Consolidating Balance Sheet December 31, 2011

(ın thousands of dollars)	St. Francis Medical Center	St. Francis Medical Center	LIFE at St. Francis	St. Francis Medical Center Foundation	Central New Jersey Heart Services, Inc	Life Care Physicians	St. Francis Eliminations
Assets							
Current assets							
Cash and cash equivalents	\$6,129	\$288	\$3,131	\$99	\$2,220	\$391	\$ -
Patient accounts receivable, net of estimated uncollectibles of \$8,009	13,096	12,961	135	-	-	-	-
Other accounts receivable	1,158	14,732	(7,345)	(511)		(6,431)	-
Prepaid expenses and inventories	2,894	2,655	15	1	223	-	
Total current assets	23,277	30,636	(4,064)	(411)	3,156	(6,040)	-
Marketable securities and investments whose use is limited							
Board-designated funds	2,062	250	-	1,812	-	-	-
Trustee-held funds	1	1	-	-	-	-	-
Donor-restricted funds	1,457		-	1,457	-	-	
Total marketable securities and investments whose use is limited	3,520	251	-	3,269	-	-	-
Property and equipment, net	39,486	34,631	2,560	-	1,526	769	-
Investments in unconsolidated organizations	1,438	2,478	-	-	-	-	(1,040)
Other assets	2,375	4,826		-	-	4	(2,455)
Total assets	\$70,096	\$72,822	(\$1,504)	\$2,858	\$4,682	(\$5,267)	(\$3,495)
Liabilities and Net Assets Current liabilities							
Current portion of long-term debt and capital lease obligations	\$973	\$640	\$ -	\$ -	\$333	\$ -	\$ -
Portion of variable rate demand obligations classified as current	200	200	-	-	-	-	-
Accounts payable and accrued expenses	17,708	15,896	1,195	-	144	473	-
Estimated third party payor settlements, net	16,865	16,865	_	-	-	-	
Other	5,078	3,901	5	125	<u>-</u> _	-	1,047
Total current liabilities	40,824	37,502	1,200	125	477	473	1,047
Long-term debt, net	17,967	16,835	-	-	1,090	42	-
Other liabilities	274	274	-	-	-	-	-
Pension liabilities	11,416	11,416	-	-	-	-	-
Insurance liabilities, net of current portion	3,251	3,093	158	-	-	-	
Total liabilities	73,732	69,120	1,358	125	1,567	515	1,047
Net assets							
Unrestricted	(4,924)	2,666	(2,862)	1,445	3,115	(5,782)	(3,506)
Temporarily restricted	560	476	-	560	-	-	(476)
Permanently restricted	728	560	-	728	-	-	(560)
Total net assets	(3,636)	3,702	(2,862)	2,733	3,115	(5,782)	(4,542)
Total liabilities and net assets	\$70,096	\$72,822	(\$1,504)	\$2,858	\$4,682	(\$5,267)	(\$3,495)
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St. Francis Medical Center Consolidating Statement of Operations December 31, 2011

(ın thousands of dollars)	St. Francis Medical Center	St. Francis Medical Center	LIFE at St. Francis	St. Francis Medical Center Foundation	Central New Jersey Heart Services, Inc	Life Care Physicians	St. Francis Eliminations
Unrestricted revenue, gains and other support							
Net patient service revenue	\$137,992	\$121,270	\$14,967	\$ -	\$7,156	\$1,755	(\$7,156)
Other operating revenue, gains and other support	4,269	4,231	273	482	1,152	11	(1,880)
Total unrestricted revenue, gains and other support	142,261	125,501	15,240	482	8,308	1,766	(9,036)
Expenses							
Salaries, wages and benefits	62,681	55,510	4,522	145	239	2,265	-
Medical supplies	22,504	18,045	1,594	-	2,830	35	-
Purchased services, professional fees and other expenses	44,601	42,310	8,331	198	654	667	(7,559)
Depreciation and amortization	5,183	4,486	195	-	476	26	-
Interest	693	546	-	-	142	5	-
Insurance	2,444	2,223	86	-	20	115	-
Provision for bad debts	4,062	4,050	11	1	<u>-</u>	-	
Total operating expenses	142,168	127,170	14,739	344	4,361	3,113	(7,559)
Operating income (loss)	93	(1,669)	501	138	3,947	(1,347)	(1,477)
Non-operating gains (losses)							
Investment returns, net	164	143	22	(1)	=	-	=
Equity in gains in earnings from unconsolidated organizations	170	170	-	-	-	-	-
Restructuring expenses and impairment losses	(506)	(506)	-	-	-	-	-
(Loss) gain on sale of assets	(64)	1	-	-	(65)	-	-
Change in fair value of interest rate swaps	(223)	(223)	-	-	-	-	-
Total non-operating (losses) gains	(459)	(415)	22	(1)	(65)	-	
(Deficit) excess of revenues over expenses	(\$366)	(\$2,084)	\$523	\$137	\$3,882	(\$1,347)	(\$1,477)

St. Francis Medical Center Consolidating Statement of Changes in Net Assets December 31, 2011

(In thousands of dollars)	St. Francis Medical Center	St. Francis Medical Center LIF	E at St. Francis	St. Francis Medical Center Foundation	Central New Jersey Heart Services, Inc	Life Care Physicians	St. Francis Eliminations
Unrestricted net assets							
(Deficit) excess of revenue over expenses	(\$366)	(\$2,084)	\$523	\$137	\$3,882	(\$1,347)	(\$1,477)
Decrease in pension liability adjustment	(6,106)	(6,106)	-	-	-	-	-
Net assets released from restrictions for capital expenditures	690	928	-	(258)	-	-	20
Other changes	5	1,897	-	-	(3,219)	-	1,327
(Decrease) increase in unrestricted net assets	(5,777)	(5,365)	523	(121)	663	(1,347)	(130)
Temporarily restricited net assets							
Contributions	65	-	-	65	-	_	-
Investment income	6	-	-	6	-	-	-
Other changes	(201)	-	-	(201)	-	-	-
Decrease in temporarily restricted net assets	(130)	-	-	(130)	-	-	-
Permanently restricited net assets							
Contributions	6	-	-	6	-	-	-
Net realized and unrealized gains on investments	5	-	-	5	-	-	-
Other changes	(6)		-	(6)	-	-	
Increase in permanently restricted net assets	5	-	-	5	-	_	-
(Decrease) increase in net assets	(5,902)	(5,365)	523	(246)	663	(1,347)	(130)
Beginning of year	2,266	9,067	(3,385)	2,979	2,452	(4,435)	(4,412)
End of year	(\$3,636)	\$3,702	(\$2,862)	\$2,733	\$3,115	(\$5,782)	(\$4,542)

Saint Michael's Medical Center Consolidating Balance Sheet December 31, 2011

(ın thousands of dollars)	Saint Michael's Medical Center	Saint Michael's Medical Center- Hospital	Chestnut Risk Offshore Insurance Co	University Heights Management Company	Saint Michael's Foundation	Saint Michael's Elimination Company	Columbus Care Corp	St James Care Corp
Assets								
Current assets								
Cash and cash equivalents	\$16,675	\$8,927	\$3	\$1,585	\$5,924	\$ -	\$94	\$142
Marketable securities whose use is limited	4,092	=	4,092	-	=	=	-	=
Patient accounts receivable, net of estimated uncollectibles of \$12,672	22,122	22,122		-	-	-	-	-
Other accounts receivable	8,931	8,645		421	70	(7,424)	702	-
Prepaid expenses and inventories	9,086	9,042		44	-			-
Total current assets	60,906	48,736	10,612	2,050	5,994	(7,424)	796	142
Marketable securities and investments whose use is limited								
Board-designated funds	11,252	11,252	-	-	-	-	-	-
Trustee-held funds	77,721	77,721	-	-	-	-	-	-
Investments	<u>87</u>	1,427	-	-	-	(1,340)	-	-
Total marketable securities and investments whose use is limited	89,060	90,400	-	-	-	(1,340-)	-	-
Property and equipment, net	186,419	168,200	-	18,219	_	_	-	_
Investments in unconsolidated organizations	2,013	2,013		-	-	-	-	-
Other assets	4,550	4,300	-	250	-	-	-	
Total assets	\$342,948	\$313,649	\$10,612	\$20,519	\$5,994	(\$8,764)	\$796	\$142
Liabilities and Net Assets Current liabilities								
Current portion of long-term debt and capital lease obligations	\$9,772	\$5,703		\$4,069	\$ -	\$ -	\$ -	\$ -
Accounts payable and accrued expenses	99,961	99,846	65	50	-	-	-	-
Estimated third party payor settlements, net	14,451	13,704		-	-	-	796	(49)
Other	8,867	16,100		-	-	(7,424)	-	191
Total current liabilities	133,051	135,353	65	4,119	-	(7,424)	796	142
Long-term debt, net	265,138	256,028	-	9,110	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-
Insurance liabilities, net of current portion	7,366	2,759		-	-	-	-	-
Total liabilities	405,555	394,140	4,672	13,229	-	(7,424)	796	142
Net assets								
Unrestricted	(63,764)	(80,133)	,	7,290	4,479	(540)	-	-
Temporarily restricted	1,157	(358)		-	1,515	-	-	=
Permanently restricted	-		800	-	-	(800)	-	-
Total net assets	(62,607)	(80,491)) 5,940	7,290	5,994	(1,340)	-	
Total liabilities and net assets	\$342,948	\$313,649	\$10,612	\$20,519	\$5,994	(\$8,764)	\$796	\$142

Saint Michael's Medical Center Consolidating Statement of Operations December 31, 2011

(ın thousands of dollars)	Saint Michael's Medical Center	Saint Michael's Medical Center- Hospital	Chestnut Risk - Offshore Insurance Co.	University Heights Management Company	Saint Michael's Foundation	Saint Michael's Elimination Company
Unrestricted revenue, gains and other support						
Net patient service revenue	\$205,561	\$205,561	\$ -	\$ -	\$ -	\$ -
Other operating revenue, gains and other support	26,251	24,647	1,262	2,063	1,276	(2,997)
Total unrestricted revenue, gains and other support	231,812	230,208	1,262	2,063	1,276	(2,997)
Expenses						
Salaries, wages and benefits	108,894	108,894	-	-	-	-
Medical supplies	35,601	35,601	-	-	-	-
Purchased services, professional fees and other expenses	69,535	70,226	(55)	425	619	(1,680)
Depreciation and amortization	12,676	12,159	-	517	-	-
Interest	18,369	17,809	-	560	-	-
Insurance	1,033	2,350	-	-	-	(1,317)
Provision for bad debts	10,714	10,714	-	-	-	
Total operating expenses	256,822	257,753	(55)	1,502	619	(2,997)
Operating (loss) income	(25,010)	(27,545)	1,317	561	657	-
Non-operating gains						
Investment returns, net	19	-	_	-	19	_
Equity in gains in earnings of unconsolidated organizations	3,278	3,278		-	-	-
Other non-operating gains	3,100	3,100	-	-	-	
Total non-operating gains	6,397	6,378	-	-	19	-
(Deficit) excess of revenues over expenses	(\$18,613)	(\$21,167)	\$1,317	\$561	\$676	\$ -

Saint Michael's Medical Center Consolidating Statement of Changes in Net Assets December 31, 2011

(in thousands of dollars)	Saint Michael's Medical Center	Saint Michael's Medical Center- Hospital	Chestnut Risk - Offshore Insurance Co.	University Heights Management Company	Saint Michael's Foundation	Saint Michael's Elimination Company
Unrestricted net assets						
(Deficit) excess of revenue over expenses	(\$18,613)	(\$21,167)	\$1,317	\$561	\$676	\$ -
Other changes	6,939	(2,669)	1,544	4,950	3,114	-
(Decrease) increase in unrestricted net assets	(11,674)	(23,836)	2,861	5,511	3,790	_
Temporarily restricited net assets	(2.122)					
Net assets released from restrictions	(3,139)	(1,908)	-	-	(1,231)	-
Other changes	(358)	(358)	-	-	_	
Decrease in temporarily restricted net assets	(3,497)	(2,266)	-		(1,231)	
(Decrease) increase in net assets	(15,171)	(26,102)	2,861	5,511	2,559	-
Beginning of period	(47,436)	(54,389)	3,079	1,779	3,435	(1,340)
End of period	(\$62,607)	(\$80,491)	\$5,940	\$7,290	\$5,994	(\$1,340)
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Holy Cross Hospital, Inc. Consolidating Balance Sheet December 31, 2011

(in thousands of dollars)	Holy Cross Hospital, Inc.	Nursing Network, Inc.	Holy Cross Long Term Care, Inc.	Holy Cross Medical Properties, Inc.	Physicians Outpatient Surgery Center, LLC	Holy Cross Hospital
Assets						
Current assets						
Cash and cash equivalents	\$23,275	\$34	(\$2)	\$63	\$1,660	\$21,520
Marketable securities whose use is limited	35	-		_	· -	35
Patient accounts receivable, net of estimated uncollectibles of \$20,241	55,228	-	-	-	621	54,607
Other accounts receivable	4,459	(4)	4	-	-	4,459
Prepaid expenses and inventories	12,802	4	-	5	661	12,132
Total current assets	95,799	34	2	68	2,942	92,753
Marketable securities and investments whose use is limited						
Board-designated funds	57,055	=	_	-	_	57,055
Trustee-held funds	9,635	-	-	-	-	9,635
Donor-restricted funds	16,864	-	-	-	-	16,864
Total marketable securities and investments whose use is limited	83,554	-	-	-	-	83,554
Property and equipment, net	228,711	197	_	11,293	325	216,896
Investments in unconsolidated organizations	2,033	-	_	,	-	2,033
Assets held for sale	18,384	-	_	_	-	18,384
Other assets	27,179		-	2	-	27,177
Total assets	\$455,660	\$231	\$2	\$11,363	\$3,267	\$440,797
Liabilities and Net Assets						
Current liabilities						
Current portion of long-term debt and capital lease obligations	\$6,225	\$ -	\$ -	\$ -	\$28	\$6,197
Accounts payable and accrued expenses	32,004	(4)	-	9	265	31,734
Estimated third-party payor settlements, net	2,602	-	-	-	-	2,602
Other Liabilities related to assets held for sale	22,597	43	-	78	704	21,772
Total current liabilities	18,850 82,278	39		- 87	997	18,850 81,155
Total current habilities	02,216			67	991	61,155
Long-term debt, net	113,659	-	-	-	-	113,659
Other liabilities	12,149	=	-	-	-	12,149
Pension liabilities	68,939	-	-	-	-	68,939
Insurance liabilities, net of current portion	34,184		-	-	-	34,184
Total liabilities	311,209	39	-	87	997	310,086
Net assets Unrestricted	124,713	192	2	11,276	2,270	110,973
Temporarily restricted	17,797	132	-	11,270	2,210	17,797
Permanently restricted	1,941	- -	-	-	- -	1,941
Total net assets	144,451	192	2	11,276	2,270	130,711
Total liabilities and net assets	\$455,660	\$231	\$2	\$11,363	\$3,267	\$440,797
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Holy Cross Hospital, Inc. Consolidating Statement of Operations December 31, 2011

(In thousands of dollars)	Holy Cross Hospital, Inc.	Nursing Network, Inc.	Holy Cross Long Term Care, Inc.	Holy Cross Medical Properties, Inc.	Physicians Outpatient Surgery Center, LLC	Holy Cross Hospital
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Unrestricted revenues, gains and other support						
Net patient service revenue	\$449,887	\$ -	\$ -	\$ -	\$7,257	\$442,630
Other operating revenue, gains and other support	16,111	360	2	1,313	4	14,432
Total unrestricted revenues, gains and other support	465,998	360	2	1,313	7,261	457,062
Expenses						
Salaries, wages and benefits	212,744	-	-	-	-	212,744
Medical supplies	83,183	-	-	-	2,327	80,856
Purchased services, professional fees and other expenses	86,676	314	5	845	3,128	82,384
Depreciation and amortization	19,670	18	-	502	308	18,842
Interest	4,572	-	-	-	4	4,568
Insurance	12,362	-	-	-	28	12,334
Provision for bad debts	35,314	3	-	-	379	34,932
Total operating expenses	454,521	335	5	1,347	6,174	446,660
Operating income (loss)	11,477	25	(3)	(34)	1,087	10,402
Non-operating (losses) gains						
Investment returns, net	29	=	=	-	-	29
Equity in gains in earnings of unconsolidated organizations	281	-	-	-	-	281
Restructuring and impairment losses	(1,460)	-	-	_	-	(1,460)
Gain on sale of assets	390	-	362	-	-	28
Change in fair value of interest rate swaps	(1,022)		-	-	-	(1,022)
Total non-operating (losses) gains	(1,782)		362	-	-	(2,144)
Excess (deficit) of revenue over expenes	\$9,695	\$25	\$359	(\$34)	\$1,087	\$8,258

Holy Cross Hospital, Inc. Consolidating Statement of Changes in Net Assets December 31, 2011

(ın thousands of dollars)	Holy Cross Hospital, Inc.	Nursing Network, Inc.	Holy Cross Long Term Care, Inc.	Holy Cross Medical Properties, Inc.	Physicians Outpatient Surgery Center, LLC	Holy Cross Hospital
Unrestricted net assets						
Excess (deficit) of revenue over expenses	\$9,695	\$25	\$359	(\$34)	\$1,087	\$8,258
Decrease in pension liability adjustment	(26,601)	-	-	_	- · ·	(26,601)
Net assets released from restrictions for capital expenditures	843	-	-	-	-	843
Other changes	(1,793)	(160)	(1,044)	(421)	(1,700)	1,532
Decrease in unrestricted net assets before discontinued operations	(17,856)	(135)	(685)	(455)	(613)	(15,968)
Loss from discontinued operations	(3,241)		-	-	-	(3,241)
Decrease in unrestricted net assets	(21,097)	(135)	(685)	(455)	(613)	(19,209)
Temporarily restricted net assets						
Contributions	11,237	-	-	-	-	11,237
Investment income	302	-	-	-	-	302
Change in unrealized losses on investments	(286)	-	-	-	-	(286)
Net assets released from restrictions	(4,118)	-	-	-	-	(4,118)
Other changes	(1,048)		-	-	-	(1,048)
Increase in temporarily restricted net assets	6,087		-		-	6,087
Decrease in net assets	(15,010)	(135)	(685)	(455)	(613)	(13,122)
Beginning of year	159,461	327	687	11,731	2,883	143,833
End of year	\$144,451	\$192	\$2	\$11,276	\$2,270	\$130,711

Saint Joseph's Health System, Inc Consolidating Balance Sheet December 31, 2011

(ın thousands of dollars)	Saint Joseph's Health System, Inc	St Joseph's Hospital of Atlanta	Saint Joseph's at East Georgia	Saint Joseph's Health System Corporate		Saint Joseph's Service Corporation	s Saint Joseph's Real Estate	Mercy Services Downtown
Assets								
Current assets								
Cash and cash equivalents	\$9,654	\$71,691	\$88	\$3.952	\$4,158	\$127	\$ -	\$838
Investments	3,823	-	-	-	3,823	· · · · ·	Ť <u>-</u>	-
Marketable securities whose use is limited	-,	-	-	_	-,	_	_	_
Patient accounts receivable, net of estimated uncollectibles of \$17,108	1,710	41,948	1,660	-	_	-	-	-
Other accounts receivable	3,375	5,046	402	243	2,143	146	41-	1
Prepaid expenses and inventories	984	10,988	425	317	100	283	0	-
Assets held for sale		185,178	-	-	-	573	1,167	
Total current assets	19,546	314,851	2,575	4,512	10,224	1,129	1,208	839
Marketable securities and investments whose use is limited								
Board-designated funds	44,158	-	-	42,318	1,840	-	-	-
Investments	180,628		-	124,734	49,304	-	-	
Total marketables securities and investments whose use is limited	224,786	-	-	167,052	51,144	-	-	-
Property and equipment, net	13,350	-	2,063	291	6	-	-	6,778
Investments in unconsolidated organizations	142,175	3,961	-	-	-	-	-	-
Other assets	51,731	11,361	40	-	10,086	-	-	
Total assets	\$451,588	\$330,173	\$4,678	\$171,855	\$71,460	\$1,129	\$1,208	\$7,617
Liabilities and Net Assets Current liabilities								
Current portion of long-term debt and capital lease obligations	\$12	\$7,030	\$12	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable and accrued expenses	2,540	29,868	847	643	136	88	16	-
Estimated third party payor settlements, net	2,618	538	-	2,550	-	-	-	-
Other	4,396	6,909	28	3,834	49	1	-	19_
Total current liabilities	9,566	44,345	887	7,027	185	89	16	19
Long-term debt, net	2,266	117,351	44	-	-	-	-	8,000
Other liabilities	(1,713)	2,317	(1)	2	968	-	-	-
Pension liabilities	50,516	41,646		420	153	95	-	-
Insurance liabilities, net of current portion	2,590	7,751	117		- 1000	-	-	
Total liabilities	63,225	213,410	1,047	7,449	1,306	184	16	8,019
Net assets	260.267	444.005	2.505	464 200	E0 004	0.45	4.400	(400)
Unrestricted	369,307 15,153	111,995 4,768	3,595	164,396 10	50,961	945	1,192	(402)
Temporarily restricted Permanently restricted	15,152 3,904	4,768	36	10	18,658 535	-	-	-
Total net assets	3,904	116,763	3,631	164,406	70,154	945	1,192	(402)
Total liabilities and net assets	\$451,588	\$330,173	\$4,678	\$171,855	\$71,460	\$1,129	\$1,208	\$7,617
rotal habilities and not assets	Ψ-1-1-0-0	Ψ000,170	Ψ-,070	Ψ171,000	Ψ71,700	Ψ1,129	Ψ1,200	Ψ7,017

Saint Joseph's Health System, Inc Consolidating Balance Sheet December 31, 2011

(In thousands of dollars)	Mercy Care Svcs, Inc	Mercy Senior Care, Inc	Transl	s Saint Josephs Consolidated Medical Group	Robotic	Subtotal	SJHS, Adjustments	J O C Eliminations	Saint Joseph's J O C
Assets									
Current assets									
Cash and cash equivalents	\$497	\$121	(\$2)	(\$404)	\$ -	\$81,066	\$ -	(\$71,412)) \$-
Investments	Ψ+91	Ψ121	(ΨΖ,	, (ψτοτ)	Ψ-	3,823	Ψ-	(Ψ11, Ψ12,	, Ψ-
Marketable securities whose use is limited		_	_	_	_	0,020	_	_	_
Patient accounts receivable, net of estimated uncollectibles of \$17,108	29	21	_	5,507	_	49,165	_	(\$47,455)	
Other accounts receivable	515	75	4,105	131	7	12,855	(71)	(9,409)	,
Prepaid expenses and inventories	228	4	596	3.985	, 54	16,980	(91)	(15,905)	
Assets held for sale	220		19,168	5,639	31	211,756	(31)	(211,756)	
Total current assets	1,269	221	23,867	14,858	92	375,645	(162)	(355,937)	
Marketable securities and investments whose use is limited									
Board-designated funds	_	_	_	_	_	44,158	_	_	_
Investments	6,590	_	_	_	_	180,628	_	_	_
Total marketables securities and investments whose use is limited	6,590	-	-	-	-	224,786	-	-	-
Property and equipment, net	3,617	595	-	-	_	13,350	-	-	-
Investments in unconsolidated organizations	6,817	-	-	-	-	10,778	(10,578)	(3,960)) 145,935
Other assets	2	-	-	3,691	-	25,180	(8,537)	(12,291)	
Total assets	\$18,295	\$816	\$23,867	\$18,549	\$92	\$649,739	(\$19,277)	(\$372,188)) \$193,314
Liabilities and Net Assets Current liabilities									
Current portion of long-term debt and capital lease obligations	\$ -	\$ -		\$ -	\$ -	\$7,042	\$ -	(\$7,030)	
Accounts payable and accrued expenses	830	84	1,291	4,722	13	38,538	-	(35,998)	
Estimated third party payor settlements, net	-	-	-	-	-	3,088	-	(470)	
Other	590	37	738	52	34	12,291	(162)	(7,733)	
Total current liabilities	1,420	121	2,029	4,774	47	60,959	(162)	(51,231)	-
Long-term debt, net	-	_	-	_	-	125,395	(5,778)	(117,351)) -
Other liabilities	-	(1)	-	-	-	3,285	` -	(4,998)	,) -
Pension liabilities	2,024	160	1,279	4,360	-	50,137	-	(47,000)	47,379
Insurance liabilities, net of current portion	163	7	-	227	-	8,265	-	(5,675)	
Total liabilities	3,607	287	3,308	9,361	47	248,041	(5,940)	(226,255)) 47,379
Net assets							, ,	,	
Unrestricted	4,301	521	20,559	9,188	45	367,296	(2,759)	(141,165)) 145,935
Temporarily restricted	7,018	8	-	· -	-	30,498	(10,578)	(4,768)	-
Permanently restricted	3,369	-	-	-	-	3,904	-	-	-
Total net assets	14,688	529	20,559	9,188	45	401,698	(13,337)	(145,933)) 145,935
Total liabilities and net assets	\$18,295	\$816	\$23,867	\$18,549	\$92	\$649,739	(\$19,277)	(\$372,188)	\$193,314

Saint Joseph's Health System, Inc. Consolidating Statement of Operations December 31, 2011

(In thousands of dollars)	Saint Joseph's Health System, Inc.	St Joseph's Hospital of Atlanta	Saint Joseph's at East Georgia	Saint Joseph's Health System Corporate	Saint Joseph's Mercy Found., Inc.	Saint Joseph's Service Corporation	Saint Joseph's Real Estate	Mercy Services Downtown
Unrestricted revenue, gains and other support	040.744	•	044.004	•	•	•	•	•
Net patient service revenue	\$12,714	\$ -	\$11,881	\$ -	\$ -	\$ -	\$ -	\$ - (272)
Other operating revenue, gains and other support	14,412		609	16,650	5,717	-	-	(872)
Total unrestricted revenue, gains and other support	27,126		12,490	16,650	5,717	-	-	(872)
Expenses								
Salaries, wages and benefits	21,704	-	7,742	4,177	699	_	_	-
Medical supplies	1,401	-	914	-	-	_	-	-
Purchased services, professional fees and other expenses	4,630	-	5,139	12,141	1,155	_	-	16
Depreciation and amortization	1,464	-	470	317	-	_	_	312
Interest	14	-	4	_	_	-	-	(111)
Insurance	185	-	94	16	21	-	-	7
Provision for bad debts	2,112	-	2,043	-	-	-	-	-
Total operating expenses	31,510	-	16,406	16,651	1,875	-	-	224
Operating (loss) income before losses	(4,384)	-	(3,916)	(1)	3,842	-	-	(1,096)
Losses from Saint Joseph's Health System	(31,249)	(6,718)	(224)	-	-	(773)	395	<u>-</u>
Operating (loss) income including losses	(35,633)	(6,718)	(4,140)	(1)	3,842	(773)	395	(1,096)
Non-operating gains (losses)								
Investment returns, net	(2,688)	1,548	_	(509)	(3,768)	5	1	-
Restructuring expenses	(2,830)	-	(2,830)	`		_	_	-
Gain (loss) on sale of assets	53	17	3	-	-	-	-	-
Change in fair value of interest rate swaps	(1,539)	(1,539)	-	-	-	-	-	-
Total non-operating (losses) gains	(7,004)	26	(2,827)	(509)	(3,768)	5	1	-
(Deficit) excess of revenues over expenses	(\$42,637)	(\$6,692)	(\$6,967)	(\$510)	\$74	(\$768)	\$396	(\$1,096)

Saint Joseph's Health System, Inc. Consolidating Statement of Operations December 31, 2011

(in thousands of dollars)	Mercy Care Svcs, Inc.	Mercy Senior Care, Inc.	Saint Joseph's Transi Research Inst.	Saint Josephs Consolidated Medical Group	International College of Robotic Surgery	Subtotal	SJHS, Adjustments
Unrestricted revenue, gains and other support							
Net patient service revenue	\$722	\$111	\$ -	\$ -	\$ -	\$12,714	\$ -
Other operating revenue, gains and other support	7,032	1,196	Ψ	<u> </u>	<u> </u>	30,332	(15,920)
Total unrestricted revenue, gains and other support	7,754	1,307	-	-	-	43,046	(15,920)
Expenses							
Salaries, wages and benefits	8,007	1,079	-	-	-	21,704	-
Medical supplies	482	5	-	=	=	1,401	=
Purchased services, professional fees and other expenses	1,972	248	-	-	-	20,671	(16,041)
Depreciation and amortization	359	6	-	-	-	1,464	-
Interest	-	-	-	-	-	(107)	121
Insurance	43	4	-	-	-	185	-
Provision for bad debts	69	-	-	-	-	2,112	
Total operating expenses	10,932	1,342	-	-	-	47,430	(15,920)
Operating (loss) income before losses	(3,178)	(35)	-	-	-	(4,384)	-
Losses from Saint Joseph's Health System		-	(5,971)	(16,764)	(1,194)	(31,249)	
Operating (loss) income including losses	(3,178)	(35)	(5,971)	(16,764)	(1,194)	(35,633)	-
Non-operating gains (losses)							
Investment returns, net	34	_	1	-	-	(2,688)	-
Restructuring expenses	-	-	-	-	-	(2,830)	-
Gain (loss) on sale of assets	-	(1)	31	3	-	53-	-
Change in fair value of interest rate swaps		-	-	-	-	(1,539)	
Total non-operating (losses) gains	34	(1)	32	3	-	(7,004)	-
(Deficit) excess of revenues over expenses	(\$3,144)	(\$36)	(\$5,939)	(\$16,761)	(\$1,194)	(\$42,637)	\$ -

Saint Joseph's Health System, Inc Consolidating Statement of Changes in Net Assets December 31, 2011

(ın thousands of dollars)	Saint Joseph's Health System, Inc	St Joseph's Hospital of Atlanta	Saint Joseph's at East Georgia	Health System	Saint Joseph's Mercy Found , Inc	Saint Joseph's Service Corporation	Saint Joseph's Real Estate	Mercy Services Downtown
Unrestricted net assets								
(Deficit) excess of revenue over expenses	(\$42,637)	(\$6,692)	(\$6,967)	(\$510)	\$74	(\$768)	\$396	(\$1,096)
Decrease in pension liability adjustment	(12,032)	(9,556)	,	645	(4)	68	-	(+ :,===)
Net assets released from restrictions for capital expenditures	230	160	-	-	-	-	_	_
Other changes	5,121	(146,510)	8,199	52,803	5,908	(555)	(481)	2
(Decrease) increase in unrestricted net assets	(49,318)	(162,598)	2,299	52,938	5,978	(1,255)	(85)	(1,094)
Temporarily restricited net assets								
Contributions	1,653	(10)	11	-	1,373	-	-	-
Investment loss	(19)	-	-	-	(19)	-	-	-
Net assets released from restrictions	(1,456)	-	-	-	(1,366)	-	-	-
Other changes	(4,767)	2,034	-	-	-	-	-	-
(Decrease) increase in temporarily restricted net assets	(4,589)	2,024	11	-	(12)	-	-	-
Permanently restricited net assets								
Other changes	-	(150)	_	-	-	-	_	-
Decrease in permanently restricted net assets		(150)	-	-	-	-	-	-
(Decrease) increase in net assets	(53,907)	(160,724)	2,310	52,938	5,966	(1,255)	(85)	(1,094)
Beginning of year	442,270	277,487	1,321	111,468	64,188	2,200	1,277	692
End of year	\$388,363	\$116,763	\$3,631	\$164,406	\$70,154	\$945	\$1,192	(\$402)

Saint Joseph's Health System, Inc Consolidating Statement of Changes in Net Assets December 31, 2011

(In thousands of dollars)	Mercy Care Svcs, Inc	Mercy Senior Care, Inc	Saint Joseph's Transi Research Inst	Saint Josephs Consolidated Medical Group	International College of Robotic Surgery	Subtotal	SJHS, Adjustments	J O C Eliminations	Saint Joseph's J O C
Unrestricted net assets									
(Deficit) excess of revenue over expenses	(\$3,144)	(\$36)	(\$5,939)	(\$16,761)	(\$1,194)	(\$42,637)	\$-	\$-	\$-
Decrease in pension liability adjustment	44	`80	(515)	(3,861)	-	(12,032)	-	-	· -
Net assets released from restrictions for capital expenditures	70	-	· -	-	-	230	-	-	-
Other changes	1,701	42	28,989	44,224	5,454	(224)	575	(141,165)	145,935
(Decrease) increase in unrestricted net assets	(1,329)	86	22,535	23,602	4,260	(54,663)	575	(141,165)) 145,935
Temporarily restricited net assets									
Contributions	274	5	-	-	-	1,653	-	-	-
Investment loss	-	-	-	-	-	(19)	-	-	-
Net assets released from restrictions	(89)	(1)	-	-	-	(1,456)	-	-	-
Other changes	6,520	-	-	-	-	8,554	(8,553)	(4,768)	<u>-</u>
(Decrease) increase in temporarily restricted net assets	6,705	4	-	-	=	8,732	(8,553)	(4,768)	-
Permanently restricited net assets									
Other changes	_	-	-	-	-	(150)	150	-	-
Decrease in permanently restricted net assets		-	-	-	-	(150)	150	-	_
(Decrease) increase in net assets	5,376	90	22,535	23,602	4,260	(46,081)	(7,828)	(145,933)	145,935
Beginning of year	9,312	439	(1,976)	(14,414)	(4,215)	447,779	(5,509)	-	
End of year	\$14,688	\$529	\$20,559	\$9,188	\$45	\$401,698	(\$13,337)	(\$145,933)	\$145,935

Mercy Hospital (Miami) & Subs. Consolidating Balance Sheet December 31, 2011

(In thousands of dollars)	Mercy Hospital (Miami) & Subsidaries	Mercy Hospital (Miami)	Mercy Foundation, Inc.	Sister Emmanuel Hospital	Mercy Medical Development, Inc.	Mercy Mission Services
Assets						
Current assets						
Cash and cash equivalents	\$10,093	\$7,076	\$1,326	\$1,657	\$ -	\$34
Marketble securities whose use is limited	3,674	-	3,674	-	-	-
Other accounts receivable	1,458	1,320	-	138	-	-
Prepaid expenses and inventories	1,239	1,236	3	-	-	-
Total current assets	16,464	9,632	5,003	1,795	-	34
Marketable securities and investments whose use is limited						
Board-designated funds	7,531	7,531	=	_	=	=
Donor-restricted funds	1,988	- -	1,988	-	-	-
Total marketable securities and investments whose use is limited	9,519	7,531	1,988	-	-	-
Property and equipment, net	4	_	_	-	_	4
Investments in unconsolidated organizations	1,006	1,006	_	_	_	· -
Other assets	6,590	6,262	320	-	-	8
Total assets	\$33,583	\$24,431	\$7,311	\$1,795	\$ -	\$46
Liabilities and Net Assets						
Current liabilities						
Accounts payable and accrued expenses	\$17,227	\$16,743	\$35	\$229	\$206	\$14
Estimated third-party payor settlements, net	15,079	10,829	-	-	4,250	-
Other	10,622	10,390	8	224	-	<u>-</u>
Total current liabilities	42,928	37,962	43	453	4,456	14
Other liabilities	984	984	-	_	_	-
Insurance liabilities, net of current poriton	8,191	8,191	-	_	-	_
Total liabilities	52,103	47,137	43	453	4,456	14
Net assets						
Unrestricted	(20,661)	(22,706)	5,127	1,342	(4,456)	32
Temporarily restricted	1,987	<u> </u>	1,987	,5 .2	(., 100)	-
Permanently restricted	154	_	154	-	-	_
Total net assets	(18,520)	(22,706)	7,268	1,342	(4,456)	32
Total liabilities and net assets	\$33,583	\$24,431	\$7,311	\$1,795	\$ -	\$46

Mercy Hospital (Miami) & Subs. Consolidating Statement of Operations December 31, 2011

(In thousands of dollars)	Mercy Hospital (Miami) & Subsidaries	Mercy Hospital (Miami)	Mercy Physician Medical Group	Mercy Foundation, Inc.	Sister Emmanuel Hospital	Mercy Mission Services	Eliminations
Unrestricted revenue, gains and other support							
Net patient service revenue	(\$5)	\$ -	(\$5)	\$0	\$ -	\$ -	\$ -
Other operating revenue, gains and other support	1,023		· -	763	-	320	(60)
Total revenue, gains, and other support	1,018	-	(5)	763	-	320	(60)
Expenses							
Salaries, wages and benefits	377	-	19	58	-	300	-
Medical supplies	3	-	-	-	-	3	-
Purchased services, professional fees and other expenses	590	-	11	695	-	63	(179)
Depreciation and amortization	1	-	-	-	-	1	-
Insurance	7	-	-	6	-	1	-
Provision for bad debts	(803)		(14)	(789)	_	-	
Total operating expenses	175		16	(30)	-	368	(179)
Operating income (loss)	843	-	(21)	793	-	(48)	119
Non-operating gains (losses)							
Investment returns, net	(101)	40	-	(190)	1	48	-
Equity in losses in earnings from unconsolidated organizations	(33)	(33)	-	-	-	-	-
Loss on sale of assets	(3)	(3)	-	-	-	-	-
Other non-operating losses	(472)	48	-	-	(520)) -	-
Change in fair value of interest rate swaps	153	153					
Total non-operating (losses) gains	(456)	205	-	(190)	(519)) 48	-
Excess (deficit) of revenue over expenses	\$387	\$205	(\$21)	\$603	(\$519)) \$-	\$119

Mercy Hospital (Miami) & Subs Consolidating Statement of Changes in Net Assets December 31, 2011

(in thousands of dollars)	Mercy Hospital (Miami) & Subsidaries	Mercy Hospital (Miami)	Mercy Physician Medical Group	Mercy Foundation, Inc	Sıster Emmanuel Hospital	Mercy Medical Development, Inc	Eliminations
(m. m. 1 = 1 = 1 = 1 = 1 = 1 = 1 = 1 = 1 = 1		(
Unrestricted net assets							
Excess (deficit) of revenue over expenses	\$387	\$205	(\$21)	\$603	(\$519)	\$ -	\$119
Net assets released from restrictions for capital expenditures	194	194	-	-	-	-	-
Other changes	(599)	(2,070)	6,580	-	(4,219)	(890)	-
(Decrease) increase in unrestricted net assets before discontinued operations	(18)	(1,671)	6,559	603	(4,738)	(890)	119
Loss on discontinued operations	(16,567)	(13,629)	(1,232)	-	(1,239)	(348)	(119)
(Decrease) increase in unrestricted net assets	(16,585)	(15,300)	5,327	603	(5,977)	(1,238)	<u>-</u>
Temporarily restricited net assets							
Contributions	(590)	(197)	-	(364)	(29)	-	-
Decrease in temporarily restricted net assets	(590)	(197)	-	(364)	(29)	-	
(Decrease) increase in net assets	(17,175)	(15,497)	5,327	239	(6,006)	(1,238)	-
Beginning of year	(1,345)	(7,209)	(5,327)	7,029	7,348	(3,217)	
End of year	(\$18,520)	(\$22,706)	\$ -	\$7,268	\$1,342	(\$4,455)	\$ -

St Mary's Health Care System, Inc Consolidating Balance Sheet December 31, 2011

(in thousands of dollars)	St Mary's Health Care System, Inc	St Mary's Hospital Combined	St Mary's Foundation, Inc	Georgia Health Enterprise, LLC	GHE Physicians, P C	St Mary's Highland Hills Inc	St Mary's Medical Group	Eliminations
Assets								
Current assets								
Cash and cash equivalents	\$36,376	\$34,798	\$1,576	\$ -	\$ -	\$1	\$1	\$ -
Patient accounts receivable, net of estimated uncollectibles of \$16,250	19,656	19,114	-	-	-	22	520	-
Other accounts receivable	4,807	25,670	(689)	-	-	(6,648)	(13,548)	22
Prepaid expenses and inventories	4,622	4,510	-	-	-	26	86	<u>-</u>
Total current assets	65,461	84,092	887	-	-	(6,599)	(12,941)	22
Marketable securities and investments whose use is limited								
Board-designated funds	11,737	11,737	-	-	-	-	-	-
Trustee-held funds	3,221	3,221	-	-	-	-	-	-
Donor-restricted funds	5,572	-	5,572	-	-	-	-	-
Investments	14,239	13,618	-	-	-	621	-	<u> </u>
Total marketable securities and investments whose use is limited	34,769	28,576	5,572	-	-	621	-	-
Property and equipment, net	76,422	62,495	14	-	-	10,798	3,115	-
Other assets	9,531	15,448	100	6,198	(6,197)		152	(6,170)
Total assets	\$186,183	\$190,611	\$6,573	\$6,198	(\$6,197)	\$4,820	(\$9,674)	(\$6,148)
Liabilities and Net Assets Current liabilities								
Current portion of long-term debt and capital lease obligations	\$1,104	\$956	\$ -	\$ -	\$ -	\$148	\$ -	\$ -
Accounts payable and accrued expenses	24,806	24,011	165	-	-	64	544	22
Estimated third party payor settlements, net	2,338	2,338	-	-	-	-	-	-
Other Total current liabilities	3,218 31,466	3,218 30,523	165	-		212		22
l otal current liabilities	31,400	30,523	165	-	-	212	544	22
Long-term debt, net	22,121	18,425	-	-	-	3,696	-	-
Other liabilities	5,789	5,789	-	-	-	-	-	-
Pension liabilities	21,118	21,118	-	=	-	=	=	-
Insurance liabilities, net of current portion	3,481	3,481	-	-	-	-	-	-
Total liabilities	83,975	79,336	165	-	-	3,908	544	22
Net assets	404 550	444.000	- occ	0.400	(0.407)	040	(40.040)	(0.470)
Unrestricted	101,552	111,928	5,099	6,198	(6,197)	912	(10,218)	(6,170)
Temporarily restricted	556 100	(653)	1,209	-	-	-	-	-
Permanently restricted Total net assets	100	111,275	100 6,408	6,198	- (6 107)	912	(10.219)	- (6.170)
			,	· · · · · · · · · · · · · · · · · · ·	(6,197)		(10,218)	(6,170)
Total liabilities and net assets	\$186,183	\$190,611	\$6,573	\$6,198	(\$6,197)	\$4,820	(\$9,674)	(\$6,148)

St. Mary's Health Care System, Inc. Consolidating Statement of Operations December 31, 2011

(in thousands of dollars)	St. Mary's Health Care System, Inc.	St. Mary's Hospital Combined	St. Mary's Foundation, Inc.	St. Mary's Highland Hills Inc.	St. Mary's Medical Group
Unrestricted revenue, gains and other support					
Net patient service revenue	\$183,587	\$173,561	\$ -	\$3,239	\$6,787
Other operating revenue, gians and other support	3,640	2,329	1,296	15	-
Total unrestricted revenue, gains and other support	187,227	175,890	1,296	3,254	6,787
Expenses					
Salaries, wages and benefits	80,161	70,439	211	1,379	8,132
Medical supplies	31,624	31,529	-	7	88
Purchased services, professional fees and other expenses	43,460	40,800	246	1,032	1,382
Depreciation and amortization	10,662	9,796	2	564	300
Interest	972	727	-	245	-
Insurance	1,979	1,892	-	-	87
Provision for bad debts	15,069	14,556	-	-	513
Total operating expenses	183,927	169,739	459	3,227	10,502
Operating income (loss)	3,300	6,151	837	27	(3,715)
Non-operating gains (losses)					
Investment returns, net	248	198	48	2	-
Loss on sale of assets	(32)	(32)	-	-	-
Change in fair value of interest rate swaps	(235)	(235)	-	-	
Total non-operating (losses) gains	(19)	(69)	48	2	
Excess (deficit) of revenues over expenses	\$3,281	\$6,082	\$885	\$29	(\$3,715)

St. Mary's Health Care System, Inc. Consolidating Statement of Changes in Net Assets December 31, 2011

(ın thousands of dollars)	St. Mary's Health Care System, Inc.	St. Mary's Hospital Combined	St. Mary's Foundation, Inc.	Georgia Health Enterprise, LLC	GHE Physicians, P.C.	St. Mary's Highland Hills Inc.	St. Mary's Medical Group	Eliminations
Unrestricted net assets								
Excess (deficit) of revenue over expenses	\$3,281	\$6,082	\$885	\$ -	\$ -	\$29	(\$3,715)	\$ -
Decrease in pension liability adjustment	(7,571)	(7,571)	-	-	-	-	-	-
(Decrease) increase in unrestricted net assets	(4,290)	(1,489)	885	-	-	29	(3,715)	
Temporarily restricited net assets								
Investment income	1	1	-	-	-	-	-	-
Net assets released from restrictions	(214)	(214)	-	-	-	-	-	-
Decrease in temporarily restricted net assets	(213)	(213)	-		-	-	-	
(Decrease) increase in net assets	(4,503)	(1,702)	885	-	-	29	(3,715)	-
Beginning of year	106,711	112,977	5,523	6,198	(6,197) 883	(6,503)	(6,170)
End of year	\$102,208	\$111,275	\$6,408	\$6,198	(\$6,197	\$912	(\$10,218)	(\$6,170)

Mercy Medical, A Corporation Consolidating Balance Sheet December 31, 2011

	Mercy Medical,				Mercy Life of	Othor
(in thousands of dollars)	A Corporation	Hospital, OP	Home Care	Residental	Alabama	Other
Assets						
Current assets						
Cash and cash equivalents	\$10,222	\$7,996	(\$286)	\$ -	\$ -	\$2,512
Patient accounts receivable, net of estimated uncollectibles of \$603	1,044	1,044	-	-	-	-
Other accounts receivable	(23)	(23)	-	=	=	-
Prepaid expenses and inventories	162	162	-	-	-	-
Total current assets	11,405	9,179	(286)	-	-	2,512
Marketable securities and investments whose use is limited						
Board-designated funds	5,224	4,657	-	567	-	-
Donor-restricted funds	186	186	-	_	-	-
Investments	590	590	-	_	-	-
Total marketable securities and investments whose use is limited	6,000	5,433	-	567	-	-
Property and equipment, net	3,895	3,895	_	_	-	_
Assets held for sale	17,001	17,001	-	_	-	-
Other assets	1,345	1,345	-	-	-	_
Total assets	\$39,646	\$36,853	(\$286)	\$567	\$ -	\$2,512
Liabilities and Net Assets						
Current liabilities						
Current portion of long-term debt and capital lease obligations	\$5,000	\$3,568	\$ -	\$ -	\$1,432	\$ -
Portion of variable rate demand obligations classified as current	1,350	1,350	-	_	-	-
Accounts payable and accrued expenses	1,726	1,726	-	_	-	-
Estimated third party payor settlements, net	5	5	-	-	-	-
Other	534	534	-	-	=	-
Total current liabilities	8,615	7,183	-	-	1,432	-
Long-term debt, net	30,305	25,019	-	=	-	5,286
Other liabilities	3,612	3,612	_	_	-	-
Insurance liabilities, net of current portion	1,039	1,039	_	_	-	-
Total liabilities	43,571	36,853	_	-	1,432	5,286
Net assets						
Unrestricted	(4,121)	(196)	(286)	567	(1,432)	(2,774)
Temporarily restricted	196	196	<u> </u>	=	=	
Total net assets	(3,925)		(286)	567	(1,432)	(2,774)
Total liabilities and net assets	\$39,646	\$36,853	(\$286)	\$567	\$ -	\$2,512

Mercy Medical, A Corporation Consolidating Statement of Operations December 31, 2011

	Mercy Medical,		Skilled			Mercy Life of	Othor	
(In thousands of dollars)	A Corporation	Hospital, OP	Nursing	Home Care	Residental	Alabama	Other	
Unrestricted revenue, gains and other support								
Net patient service revenue	\$7,647	\$ -	\$ -	\$7,830	(\$183)	\$ -	\$ -	
Other operating revenue, gains and other support	1,239		-	58	860	56	265	
Total unrestricted revenue, gains and other support	8,886		-	7,888	677	56	265	
Expenses								
Salaries, wages and benefits	6,731	-	-	3,442	199	445	2,645	
Medical supplies	396	-	-	376	-	5	15	
Purchased services, professional fees and other expenses	4,208	302	288	3,930	1,324	1,110	(2,746)	
Depreciation and amortization	200	-	-	13	128	-	59	
Interest	334	=	=	=	95	=	239	
Insurance	64	=	-	-	5	6	53	
Provision for bad debts	22		-	22	-	-		
Total pperating expenses	11,955	302	288	7,783	1,751	1,566	265	
Operating (loss) income	(3,069)	(302)	(288)	105	(1,074)	(1,510)	-	
Non-operating gains (losses)								
Investment returns, net	63	-	-	-	79	-	(16)	
Restructuring expenses and impairment losses	(14)	-	-	_	-	-	(14)	
Gain (loss) on sale of assets	2,972	5,286	3,594	-	-	=	(5,908)	
Change in fair value of interest rate swaps	(398)		-	_	-	-	(398)	
Total non-operating gains (losses)	2,623	5,286	3,594	-	79	-	(6,336)	
(Deficit) excess of revenues over expenses	(\$446)	\$4,984	\$3,306	\$105	(\$995)	(\$1,510)	(\$6,336)	

Mercy Medical, A Corporation Consolidating Statement of Changes in Net Assets December 31, 2011

(ın thousands of dollars)	Mercy Medical, A Corporation	Hospital, OP	Skilled Nursing	Home Care	Residental	Mercy Life of Alabama	Other	
(III thousands of dollars)	A Corporation	Tiospital, Oi	Okilied Hursing	Home date	residental	Alaballia	Outer	
Unrestricted net assets								
(Deficit) excess of revenue over expenses	(\$446)	\$4,984	\$3,306	\$105	(\$995)	(\$1,510)	(\$6,336)	
Net assets released from restrictions for capital expenditures	110	-	-	-	` -	110	-	
(Decrease) increase in unrestricted net assets before discontinued operations	(336)	4,984	3,306	105	(995)	(1,400)	(6,336)	
Loss from discontinued operations	(291)	638	(1,285)	_	356	-		
(Decrease) increase in unrestricted net assets	(627)	5,622	2,021	105	(639)	(1,400)	(6,336)	
Temporarily restricted net assets								
Contributions	183	-	_	-	-	-	183	
Net assets released from restrictions	(284)		-	-	-	-	(284)	
Decrease in temporarily restricted net assets	(101)		-	-	-	-	(101)	
(Decrease) increase in net assets	(728)	5,622	2,021	105	(639)	(1,400)	(6,437)	
Beginning of year	(3,197)	(5,622)	(2,021)	(391)	1,206	(32)	3,663	
End of year	(\$3,925)	\$ -	\$ -	(\$286)	\$567	(\$1,432)	(\$2,774)	

Mercy Community Health, Inc. Consolidating Balance Sheet December 31, 2011

(ın thousands of dollars)	Mercy Community Health, Inc.	Saint Mary Home, Inc.	The McAuley Center	Mercyknoll Inc.	Mercy Community Home Care, Inc.	MCH - Corporate Office
Assets						
Current assets						
Cash and cash equivalents	\$ -	\$2,295	(\$1,075)	(\$3,409)	(\$741)	\$2,930
Marketable securities whose use is limited	1,247	752	375	-	-	120
Patient accounts receivable, net of estimated uncollectibles of \$1,504	2,475	2,534	17	-	(76)	-
Other accounts receivable	170	56	109	-	5	-
Prepaid expenses and inventories	420	325	20	(3)	1	77
Total current assets	4,312	5,962	(554)	(3,412)	(811)	3,127
Marketable securities and investments whose use is limited						
Trustee-held funds	1,432	390	912	-	-	130
Donor-restricted funds	277_	265	12	-	-	
Total marketable securities and investments whose use is limited	1,709	655	924	-	-	130
Property and equipment, net	26,479	10,215	15,490	151	_	623
Other assets	723	593	320	18	4	(212)
Total assets	\$33,223	\$17,425	\$16,180	(\$3,243)	(\$807)	\$3,668
Liabilities and Net Assets						
Current liabilities						
Current portion of long-term debt and capital lease obligations	\$1,884	\$624	\$354	\$27	\$7	\$872
Accounts payable and accrued expenses	5,496	2,197	434	12	53	2,800
Estimated third party payor settlements, net	399	12	-	-	387	-
Other	2,515	1,149	1,290	17	(50)	109
Total current liabilities	10,294	3,982	2,078	56	397	3,781
Long-term debt, net	26,822	12,011	12,422	1,015	246	1,128
Other liabilities	2,412	385	1,435	-	-	592
Pension liabilities	622	469	102	-	-	51
Insurance liabilities, net of current portion	387	238	106	-	-	43
Deferred revenue from entrance fees	14,545	0	14,545	-	-	_
Total liabilities	55,082	17,085	30,688	1,071	643	5,595
Net assets						
Unrestricted	(22,492)	(162)	(14,577)	(4,314)	(1,450)	(1,989)
Temporarily restricted	356	237	57	-	-	62
Permanently restricted	277	265	12	-	-	
Total net assets	(21,859)	340	(14,508)	(4,314)	(1,450)	(1,927)
Total liabilities and net assets	\$33,223	\$17,425	\$16,180	(\$3,243)	(\$807)	\$3,668

Mercy Community Health, Inc. Consolidating Statement of Operations December 31, 2011

(ın thousands of dollars)	Mercy Community Health, Inc.	Saint Mary Home, Inc.	The McAuley Center	Mercyknoll Inc.	Mercy Community Home Care, Inc.	MCH - Corporate Office
Unrestricted revenue, gains and other support						
Net patient service revenue	\$28,450	\$30,310	\$ -	\$ -	\$ -	(\$1,860)
Other operating revenue, gains and other support	12,457	290	11,878	26	· -	263
Total unrestricted revenue, gains and other support	40,907	30,600	11,878	26	-	(1,597)
Expenses						
Salaries, wages and benefits	22,506	18,050	2,776	-	-	1,680
Medical supplies	528	527	1	-	-	0
Purchased services, professional fees and other expenses	12,893	9,186	6,934	67	=	(3,294)
Depreciation and amortization	2,239	869	1,319	1	-	50
Interest	1,360	764	594	45	12	(55)
Insurance	244	140	80	-	-	24
Provision for bad debts	394	368	26	-	-	0
Total operating expenses	40,164	29,904	11,730	113	12	(1,595)
Operating income (loss)	743	696	148	(87)	(12)	(2)
Non-operating gains (losses)						
Investment returns, net	17	(1)	16	-	-	2
Change in fair value of interest rate swaps	(233)			-	-	(233)
Total non-operating (losses) gains	(216)	(1)	16		-	(231)
Excess (deficit) of revenues over expenses	\$527	\$695	\$164	(\$87)	(\$12)	(\$233)

Mercy Community Health, Inc. Consolidating Statement of Changes in Net Assets December 31, 2011

(ın thousands of dollars)	Mercy Community Health, Inc.	Saint Mary Home, Inc.	The McAuley Center	Mercyknoll Inc.	Mercy Community Home Care, Inc.	MCH - Corporate Office
Unrestricted net assets						
Excess (deficit) of revenue over expenses	<u>\$527</u>	\$695	\$164	(\$87)	(\$12)	(\$233)
Increase (decrease) in unrestricted net assets	527	695	164	(87)	(12)	(233)
Temporarily restricited net assets						
Contributions	273	265	8	=	=	=
Investment income	31	17	14	-	-	-
Change in unrealized losses on investments	(29)	(19)	(10)	-	-	-
Net assets released from restrictions	(50)	(9)	(41)	-	-	-
Other changes	(2)		-	-	-	(2)
Increase (decrease) in temporarily restricted net assets	223	254	(29)	-		(2)
Increase (decrease) in net assets	750	949	135	(87)	(12)	(235)
Beginning of year	(22,609)	(609)	(14,643)	(4,227)	(1,438)	(1,692)
End of year	(\$21,859)	\$340	(\$14,508)	(\$4,314)	(\$1,450)	(\$1,927)

St Joseph's of the Pines Consolidating Balance Sheet December 31, 2011

Current portion before the time stands Stand	(in thousands of dollars)	St Joseph's of the Pines	Belle Meade	Pine Knoll	Neese Clinic	Coventry	Family Care Homes	PACE Program	Health Center	Home Care at St Joseph of the Pines	HUD Housing Management
State Stat											
Patent accounts recevable net of estimated uncollectibles of \$262 1,316 45 23 11 4 3 30 1,026 174 1 1 2 1 2 2 3 30 1,026 174 1 2 2 2 3 30 1,026 174 1 2 2 2 3 30 1,026 174 1 2 2 2 3 30 1,026 174 1 2 2 2 3 30 1,026 174 1 2 2 2 3 30 1,026 174 1 2 2 2 3 30 1,026 174 1 2 2 2 3 30 1,026 174 1 2 2 2 3 30 1,026 174 1 2 2 2 3 30 1,026 174 1 2 2 2 3 30 1,026 174 1 2 2 2 3 3 3 3 3 3 3							_			_	_
Cher accounts receivable 1,880 1,510 1,810 2,54 1,121 - 52 1,68 - 142 1,141 1,14											\$ -
Prepared expenses and inventories 406 54 15 218 2 8 94 16 (1) 2 1 2 2 2 2 3 3 4 1 2 2 2 3 3 4 3 2 2 3 4 3 3 3 3 3 3 3 3						•	-				-
Total our ent assets											142
Marketable securities and investments whose use is limited 20,636 15,358 1,912 881 492 1,993											140
Investments 20,036 15,358 1,912 881 492 - 1,993 - -	Total current assets	5,426	1,707	42	2,039	4	111	259	1,049	1/3	142
Total marketable secunties and investments whose use is limited 20,636 15,358 1,912 881 492 - 1,993	Marketable securities and investments whose use is limited										
Property and equipment, net 68,017 38,488 12,073 2,166 2,971 1,171 2,607 9,457 23 61 Investments in unconsolidated organizations 50 1.852 472 22 978 114 2.607 266 Total assets 38,0951 355,025 314,049 36,114 33,581 31,182 34,859 310,772 3196 3203 Liabilities and Net Assets 2.207 3,981 3,182 3,885 3,182 3,885 3,182 3,885 3,182 3,885 3,187 3,185 Current liabilities 2.207 2.207 3,185 3,1	Investments	20,636	15,358		881	492	-	1,993	-	-	-
Solution Total marketable securities and investments whose use is limited	20,636	15,358	1,912	881	492	-	1,993	-	-	-	
Solution Property and equipment, net	69,017	38,488	12,073	2,166	2,971	1,171	2,607	9,457	23	61	
Total assets S96,981 S56,025 S14,049 S6,114 S3,581 S1,182 S4,859 S10,772 S196 S203 S203 S204 S203 S204 S203 S204 S205	Investments in unconsolidated organizations	50	-	-	50	-	-	-	-	-	-
Current labilities and Net Assets Signature Sign	Other assets						-	-		-	
Current labilities	Total assets	\$96,981	\$56,025	\$14,049	\$6,114	\$3,581	\$1,182	\$4,859	\$10,772	\$196	\$203
Total current liabilities 12,949 9,947 440 976 365 10 366 509 133 203	Current liabilities Current portion of long-term debt and capital obligations Portion of variable rate demand obligations classified as current Accounts payable and accrued expenses	8,792 2,552	8,792 984	172	869	(20)	10	- 364	118	48	7
Long-term debt, net 47,289 22,036 6,147 2,095 9,010 - - 8,001 - - Check plan 8,001 - - - 8,001 - - - 8,001 - - - 8,001 - - - 8,001 - - - 8,001 - - - 8,001 - <td></td>											
Other liabilities 8,600 6,270 1,024 (9,591) (3,535) 1,238 7,673 5,432 17 72 Pension liabilities 77 -	Total current habilities	12,949	9,947	440	970	300	10	300	509	133	203
Deferred revenue from entrance fees 28,418 22,265 6,153 - <th< td=""><td>Other liabilities Pension liabilities</td><td>8,600 77</td><td>6,270</td><td>1,024</td><td>(9,591) 77</td><td>(3,535)</td><td></td><td></td><td>5,432</td><td></td><td>- 72 -</td></th<>	Other liabilities Pension liabilities	8,600 77	6,270	1,024	(9,591) 77	(3,535)			5,432		- 72 -
Total liabilities 97,579 60,537 13,769 (6,287) 5,842 1,248 8,039 14,006 150 275 Net assets Unrestricted (1,005) (4,569) 279 12,112 (2,271) (66) (3,180) (3,284) 46 (72) Temporarily restricted 249 57 1 131 10 - - 50 - - Permanently restricted 158 - - 158 - <td></td> <td></td> <td></td> <td>-</td> <td>156</td> <td>2</td> <td>-</td> <td>-</td> <td>64</td> <td>-</td> <td>-</td>				-	156	2	-	-	64	-	-
Net assets Unrestricted (1,005) (4,569) 279 12,112 (2,271) (66) (3,180) (3,284) 46 (72) Temporarily restricted 249 57 1 131 10 - - 50 - - Permanently restricted 158 - - 158 -					(0.007)	- E 0.42	4 040	0.000	11000	- 450	- 075
Unrestricted (1,005) (4,569) 279 12,112 (2,271) (66) (3,180) (3,284) 46 (72) Temporarily restricted 249 57 1 131 10 - - 50 - - Permanently restricted 158 - - 158 - - - - - - - - Total net assets (598) (4,512) 280 12,401 (2,261) (66) (3,180) (3,234) 46 (72)		91,519	60,537	13,769	(0,287)	5,842	1,248	8,039	14,006	150	2/5
	Unrestricted Temporarily restricted	249		279 1 -	131		-	(3,180 - -		46 - -	(72) - -
	Total net assets	(598)	(4.512)	280	12.401	(2.261)	(66)	(3.180)	(3.234)	46	(72)
			\$56,025								\$203

St Joseph's of the Pines Consolidating Statement of Operations December 31, 2011

									Home Care at		St Joseph of
	St Joseph's					Family Care	PACE		St Joseph of	HUD Housing	the Pines
(in thousands of dollars)	of the Pines	Belle Meade	Pine Knoll	Neese Clinic	Coventry	Homes	Program	Health Center	the Pines	Management	Eliminations
Unrestricted revenue, gains and other support											
Net patient service revenue	\$15,881	(\$99)	(\$3)	\$ -	\$111	\$ -	\$1,332	\$15,500	\$1,199	\$ -	(\$2,159)
Other operating revenue, gains and other support	18,202	13,558	3,473	353	2,195	135	1	150	2	105	(1,770)
Total unrestricted revenue, gains and other support	34,083	13,459	3,470	353	2,306	135	1,333	15,650	1,201	105	(3,929)
Expenses											
Salaries, wages and benefits	15,839	2,632	1,102	2,399	645	127	1,381	6,454	1,015	84	-
Medical supplies	1,048	-	· -	· -	4	2	189	852	1	-	-
Purchased services, professional fees and other expenses	11,721	8,058	1,947	(2,482)	740	52	1,666	5,551	102	16	(3,929)
Depreciation and amortization	4,061	2,188	654	271	186	16	137	590	4	15	-
Interest	2,063	1,110	237	80	337	-	-	299	-	-	-
Insurance	176	61	18	22	8	-	20	44	2	2	-
Provision for bad debts	(86)	16	-	(10)	-	4	14	(136)	26	-	
Total operating expenses	34,822	14,065	3,958	280	1,920	201	3,407	13,654	1,150	117	(3,929)
Operating (loss) income	(739)	(606)	(488)	73	386	(66)	(2,074)	1,996	51	(12)	-
Non-operating gains (losses)											
Investment returns, net	471	383	48	6	13	-	20	2	-	-	-
Change in fair value of interest rate swaps	(728)		-	(728)	-	-	-	-	-	-	<u>-</u>
Total non-operating (losses) gains	(257)	383	48	(722)	13	-	20	2	-	-	-
(Deficit) excess of revenues over expenses	(\$996)	(\$223)	(\$440)	(\$649)	\$399	(\$66)	(\$2,054)	\$1,998	\$51	(\$12)	\$ -

St Joseph's of the Pines Consolidating Statement of Changes in Net Assets December 31, 2011

									Home Care at	
	St Joseph's of					Family Care	PACE		St Joseph of	HUD Housing
(ın thousands of dollars)	the Pines	Belle Meade	Pine Knoll	Neese Clinic	Coventry	Homes	Program	Health Center	the Pines	Management
Unrestricted net assets										
(Deficit) excess of revenue over expenses	(\$996)	(\$223)	(\$440)	(\$649)	\$399	(\$66)	(\$2,054)	\$1,998	\$51	(\$12)
Net assets released from restrictions for capital expenditures	`304 [´]	· · ·	50	254	-			-	· -	``-
Other changes	(5)	(5)	-	-	-	-	-	-	-	-
(Decrease) increase in unrestricted net assets	(697)	(228)	(390)	(395)	399	(66)	(2,054)	1,998	51	(12)
Temporarily restricited net assets										
Contributions	25	25	-	-	-	-	-	-	-	-
Investment income	2	-	-	2	-	-	-	-	-	-
Net assets released from restrictions	(166)	(22)	(55)	(84)	-	-	-	(5)	-	-
Other changes	(1)	(1)	-	-	-	-	-	-	-	-
(Decrease) increase in temporarily restricted net assets	(140)	2	(55)	(82)	-	-	-	(5)	-	<u> </u>
Permanently restricited net assets										
Net realized and unrealized gains on investments	1	1	-	-	-	-	-	-	-	-
Other changes	(30)	-	-	(30)	-	-	-	-	-	-
(Decrease) increase in permanently restricted net assets	(29)	1	-	(30)		-	-			
(Decrease) increase in net assets	(866)	(225)	(445)	(507)	399	(66)	(2,054)	1,993	51	(12)
Beginning of year	268	(4,287)	725	12,908	(2,660)	-	(1,126)	(5,227)	(5)	(60)
End of year	(\$598)	(\$4,512)	\$280	\$12,401	(\$2,261)	(\$66)	(\$3,180)	(\$3,234)	\$46	(\$72)