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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

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization
St Mary's Health Care System Inc

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
1230 Baxter Street

City or town, state or country, and ZIP + 4
Athens, GA 306063791

D Employer identification number
58-0566223

E Telephone number
(706) 389-3939

G Gross receipts $ 177,064,813

F Name and address of principal officer
Donald McKenna
1230 Baxter St
Athens, GA 306063791

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶ 0938

I Tax-exempt status ☑ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ www stmarysathens com

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1938 | **M** State of legal domicile GA

Part I Summary

1 Briefly describe the organization's mission or most significant activities
As a member of Catholic Health East ("CHE") and sponsored by the Sisters of Mercy, the mission of St Mary's Health Care System is to be a compassionate healing presence in our community, committed to the sacredness of human life and the dignity of each person we serve

2 Check this box ▶☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	15
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	13
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	**5**	1,526
6	Total number of volunteers (estimate if necessary)	**6**	269
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	0
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	0

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	0	53,065
	9 Program service revenue (Part VIII, line 2g)	169,684,100	173,560,861
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	957,738	1,114,423
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	2,204,923	2,093,311
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	172,846,761	176,821,660
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)	247,707	447,001
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	69,913,503	70,440,529
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶0		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	98,315,045	98,956,254
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	168,476,255	169,843,784
	19 Revenue less expenses Subtract line 18 from line 12	4,370,506	6,977,876

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	180,201,056	190,653,889
	21 Total liabilities (Part X, line 26)	67,224,011	79,378,399
	22 Net assets or fund balances Subtract line 21 from line 20	112,977,045	111,275,490

Part II 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 knowledge.

Sign Here

****** | 2012-11-15
Signature of officer | Date

Donald McKenna President / CEO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ Stephen A Allen	Date	Check if self-employed ▶☐	Preparer's taxpayer identification number (see instructions) P00173407
Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ Deloitte Tax LLP 1700 Market Street 25th Floor Philadelphia, PA 19103			EIN ▶ 86-1065772 Phone no ▶ (215) 246-2300

May the IRS discuss this return with the preparer shown above? (see instructions) ☑ Yes ☐ No

Part III **Statement of Program Service Accomplishments**

Check if Schedule O contains a response to any question in this Part III . . . . . ☐

1 Briefly describe the organization's mission

As a member of Catholic Health East ("CHE") and sponsored by the Sisters of Mercy, the mission of St Mary's Health Care System is to be a compassionate healing presence in our community, committed to the sacredness of human life and the dignity of each person we serve

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☑ No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☑ No

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses $ 122,079,546 including grants of $ 447,001) (Revenue $ 173,560,861)

St Mary's Health Care System was established to meet the health care needs of the people of Northeast Georgia The System operates an acute care hospital, home health care agency, hospice, and leases a long-term care facility Additionally, the System offers many wellness and educational services to the community at low, or in some cases at no charge

4b (Code) (Expenses $ including grants of $) (Revenue $)

4c (Code) (Expenses $ including grants of $) (Revenue $)

4d Other program services (Describe in Schedule O)

(Expenses $ including grants of $) (Revenue $)

4e **Total program service expenses** ▶ $ 122,079,546

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
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? *If "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		No
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			
a	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? *If "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? *If "Yes," complete Schedule G, Part 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	

Part 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*	**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
c	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)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**	Yes	
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	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	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	**1a**	104		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	**1b**	0		
c	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	**2a**	1,526			
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 year?			**3a**		No
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			**3b**		
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					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .			**5a**		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			**5b**		No
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 organization solicit any contributions that were not tax deductible?			**6a**		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			**6b**		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			**7a**		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?			**7c**		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	**7d**	0			
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**		No
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					
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	**10a**				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	**10b**				
11	**Section 501(c)(12) organizations.** Enter					
a	Gross income from members or shareholders	**11a**				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	**11b**				
12a	**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 year	**12b**				
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**					
a	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	**13b**				
c	Enter the aggregate amount of reserves on hand	**13c**				
14a	Did the organization receive any payments for indoor tanning services during the tax year?			**14a**		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .			**14b**		

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 . . . . . ☑

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	15		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	13		
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				
a	The governing body?		8a	Yes	
b	Each committee with authority to act on behalf of the governing body?		8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		9		No

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a		No
b	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?			
a	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 taxable entity during the year?	16a		No
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its 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?	16b		

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed ▶ GA

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 ☑ Upon request

19 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

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶

Marty Hutson
1230 Baxter Street
Athens, GA 306063791
(706) 389-3939

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

Check if Schedule O contains a response to any question in this Part VII . . . . . ☐

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
- 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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Chin Jean MD Director	1 00	X						0	0	0
(2) Salamone Father Robert Director	1 00	X						0	0	0
(3) Bennett Rodney Director	1 00	X						0	0	0
(4) Burgess Tim Director	1 00	X						0	0	0
(5) McKenna Don President/CEO	40 00	X		X				0	579,796	33,621
(6) Griffin Dawn Director	1 00	X						0	0	0
(7) Hubrich Leon Director	1 00	X						0	0	0
(8) Perno Louis A Director	1 00	X						0	0	0
(9) Upchurch Charles L Director	1 00	X						0	0	0
(10) Snipes Bobby Director	1 00	X						0	0	0
(11) Cline Ruth M MD Director	1 00	X						0	0	0
(12) Wilbanks Kathy Director	1 00	X						0	0	0
(13) Hollingworth III Thomas F Director	1 00	X						0	0	0
(14) Hooker Robbie P Director	1 00	X						0	0	0
(15) Priest Neal MD Chief of Staff	1 00	X						0	0	0
(16) Hutson Martin Vice President & CFO	40 00			X				250,759	0	24,518
(17) Dugger Brenda VP Compliance, Qu, & HH	40 00			X				208,549	0	13,566

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) Evans Nina VP Nursing	40 00			X				240,545	0	9,916
(19) Carter Montez VP of Operations	40 00			X				187,679	0	28,001
(20) English Jeffrey VP Human Resourses	40 00			X				201,294	0	16,896
(21) Schuller Karen VP & General Counsel	40 00			X				245,081	0	9,929
(22) Middendorf Bruce Chief Medical Officer	40 00			X				110,562	0	10,003
(23) Loome Sister Patricia VP of Mission Services	40 00			X				132,714	0	7,288
(24) Vaughn Kerry Chief Info Office	40 00			X				0	142,002	31,695
(25) Camp Steven Pharmacist	40 00					X		192,157	0	18,079
(26) Wright Gary Director of Pharmacy	40 00					X		167,077	0	11,954
(27) Griffiths Catherine Nursing Supervisor	40 00					X		144,876	0	11,561
(28) Shutt Robert RN	40 00					X		130,993	0	17,979
(29) Dixon-Martin Kelly Physician	40 00					X		184,395	0	11,429
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								2,396,681	721,798	256,435

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 16

			Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	**3**		No
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**		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) Name and business address	(B) Description of services	(C) Compensation
Athens Hospitalist Services PC PO Box7695 Athens, GA 30606	Physicians	2,509,235
Sodexo Inc PO Box 81049 Woburn, MA 018121049	Dietary/Housekeeping	2,083,102
Rehabcare Group Inc PO Box 502096 St Louis, MO 631502096	IP Management Services	1,750,684
Anesthesia Consult of Athens PO Box 7127 Athens, GA 30604	Anesthesiologist	1,317,649
Healthcare Fiscal Mgmt Inc 10567 165th St W Lakeville, MN 55044	Patient Financial Service	966,885

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 33

Part VIII 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
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d				
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f 53,065				
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f		53,065			
Program Service Revenue			Business Code				
	2a	Hospital Patient Servi	622110	173,560,861	173,560,861		
	b						
	c						
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f		173,560,861			
	3	Investment income (including dividends, interest and other similar amounts)		722,472			722,472
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
			(i) Real / (ii) Personal				
	6a	Gross rents	430,790 /				
	b	Less rental expenses	182,858 /				
	c	Rental income or (loss)	247,932 /				
	d	Net rental income or (loss)		247,932			247,932
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory	424,002 / 28,244				
	b	Less cost or other basis and sales expenses	0 / 60,295				
	c	Gain or (loss)	424,002 / -32,051				
	d	Net gain or (loss)		391,951			391,951
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from fundraising events					
	9a	Gross income from gaming activities See Part IV, line 19	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities					
	10a	Gross sales of inventory, less returns and allowances	a				
	b	Less cost of goods sold	b				
	c	Net income or (loss) from sales of inventory					
		Miscellaneous Revenue	Business Code				
	11a	Fitness	622110	549,988			549,988
	b	Parking	622110	158,827			158,827
	c	Gift Shop	622110	156,878			156,878
	d	All other revenue		979,686			979,686
	e	**Total.** Add lines 11a–11d		1,845,379			
	12	**Total revenue.** See Instructions		176,821,660	173,560,861	0	3,207,734

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 . . . . . ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States See Part IV, line 21	447,001	447,001		
2	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				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	2,396,681	636,773	1,759,908	
6	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	54,418,339	42,701,724	11,716,615	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	2,750,420	2,098,020	652,400	
9	Other employee benefits	6,824,398	5,205,651	1,618,747	
10	Payroll taxes	4,050,691	3,089,867	960,824	
11	Fees for services (non-employees)				
a	Management				
b	Legal	291,469		291,469	
c	Accounting				
d	Lobbying				
e	Professional fundraising *See Part IV, line 17* . .				
f	Investment management fees				
g	Other	17,651,031	5,451,670	12,199,361	
12	Advertising and promotion	914,333	206,453	707,880	
13	Office expenses	1,126,376	410,658	715,718	
14	Information technology	8,098		8,098	
15	Royalties . .				
16	Occupancy	3,483,013	1,530,296	1,952,717	
17	Travel	572,710	376,189	196,521	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings				
20	Interest	600,427		600,427	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	9,739,051	4,979,750	4,759,301	
23	Insurance	1,892,489		1,892,489	
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)				
a	Medical & General Suppl	32,595,850	32,588,951	6,899	0
b	Bad Debt	14,555,783	14,555,783	0	0
c	Physician Fees	5,046,124	4,877,706	168,418	0
d	Maintenance	4,160,281	313,660	3,846,621	0
e					
f	All other expenses	6,319,219	2,609,394	3,709,825	
25	**Total functional expenses.** Add lines 1 through 24f	169,843,784	122,079,546	47,764,238	0
26	**Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing			1	
	2	Savings and temporary cash investments		33,708,443	2	34,797,751
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		19,187,452	4	19,314,696
	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 Schedule L			6	
	7	Notes and loans receivable, net		760,226	7	3,297,226
	8	Inventories for sale or use		3,531,338	8	3,096,831
	9	Prepaid expenses and deferred charges		1,258,496	9	1,412,581
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 191,291,582			
	b	Less accumulated depreciation	10b 128,796,671	66,846,816	10c	62,494,911
	11	Investments—publicly traded securities		28,595,199	11	28,575,447
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets		347,377	14	319,434
	15	Other assets See Part IV, line 11		25,965,709	15	37,345,012
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		180,201,056	16	190,653,889
Liabilities	17	Accounts payable and accrued expenses		24,681,153	17	27,208,066
	18	Grants payable			18	
	19	Deferred revenue		62,670	19	62,722
	20	Tax-exempt bond liabilities		19,055,348	20	18,328,324
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*			21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*			22	
	23	Secured mortgages and notes payable to unrelated third parties		1,223,751	23	1,052,353
	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 D		22,201,089	25	32,726,934
	26	**Total liabilities.** Add lines 17 through 25		67,224,011	26	79,378,399
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		113,415,521	27	111,928,053
	28	Temporarily restricted net assets		-438,476	28	-652,563
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		112,977,045	33	111,275,490
	34	Total liabilities and net assets/fund balances		180,201,056	34	190,653,889

Part XI Reconcilliation of Net Assets

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	176,821,660
2	Total expenses (must equal Part IX, column (A), line 25)	2	169,843,784
3	Revenue less expenses Subtract line 2 from line 1	3	6,977,876
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	112,977,045
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-8,679,431
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	111,275,490

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII . . . . . ☑

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☑ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? . .	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 the 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 in Schedule O	2c		
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separated basis			
3a	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?	3a		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits . .	3b		

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
St Mary's Health Care System Inc

Employer identification number
58-0566223

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

1 ☐ A church, convention of churches, or association of churches **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)

3 ☑ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ 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 ☐ 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 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)

9 ☐ An organization that normally receives (1) more than 33 1/3% 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 33 1/3% 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)

10 ☐ An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of 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 ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally integrated **d** ☐ Type III - Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
(i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization? **11g(i)**		
(ii) a family member of a person described in (i) above? **11g(ii)**		
(iii) a 35% controlled entity of a person described in (i) or (ii) above? **11g(iii)**		

h Provide the following information about the supported organization(s)

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document? Yes	(iv) No	(v) Did you notify the organization in col (i) of your support? Yes	(v) No	(vi) Is the organization in col (i) organized in the U S ? Yes	(vi) No	(vii) Amount of support?
Total									

Part II **Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public Support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
11 **Total support** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (See instructions) **12**

13 **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

14 Public Support Percentage for 2011 (line 6 column (f) divided by line 11 column (f)) **14**

15 Public Support Percentage for 2010 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2011.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization

b **33 1/3% support test—2010.** If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization

17a **10%-facts-and-circumstances test—2011.** If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization

b **10%-facts-and-circumstances test—2010.** If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization

18 **Private Foundation** If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions

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 in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 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						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b 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						
8 **Public Support** (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support** (Add lines 9, 10c, 11 and 12)						

14 **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

15 Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f))	15	
16 Public support percentage from 2010 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2011** (line 10c column (f) divided by line 13 column (f))	17	
18 Investment income percentage from **2010** Schedule A, Part III, line 17	18	

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

b **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 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

20 **Private Foundation** If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions ▶☐

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

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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.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
St Mary's Health Care System Inc

Employer identification number
58-0566223

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
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 advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit ☐ Yes ☐ No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or pleasure)
☐ Preservation of an historically importantly land area
☐ Protection of natural habitat
☐ Preservation of a certified historic structure
☐ Preservation of open space

2 Complete lines 2a–2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

		Held at the End of the Year
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(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, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

- a ☐ Public exhibition
- b ☐ Scholarly research
- c ☐ Preservation for future generations
- d ☐ Loan or exchange programs
- e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table

		Amount
c Beginning balance	1c	0
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	0

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance					
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as

- a Board designated or quasi-endowment ▶
- b Permanent endowment ▶
- c Term endowment ▶

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

		Yes	No
(i) unrelated organizations	3a(i)		
(ii) related organizations	3a(ii)		
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		1,954,580		1,954,580
b Buildings		68,748,748	37,760,553	30,988,195
c Leasehold improvements		69,429	20,233	49,196
d Equipment		72,347,329	58,820,923	13,526,406
e Other		48,171,496	32,194,962	15,976,534
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				62,494,911

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation 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 Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation 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, line 15.

(a) Description	(b) Book value
(1) Total Due From Other Entities	25,469,638
(2) Investment in Unconsolidated	6,179,604
(3) LT-Swap Prgm CHE-Market Valuation	5,547,286
(4) Other LT Assets	105,438
(5) Due to Related Parties	43,046
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	37,345,012

Part X Other Liabilities. See Form 990, Part X, line 25.

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
3rd Party Payables	2,338,438
Workers Compensation Reserve	944,000
Pension Liability	21,118,015
LT Swap Prgm CHE-Market Valuation	5,789,481
Workers Compensation -Gross Liability	295,000
Other Reserve Liability	2,242,000
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	32,726,934

2. Fin 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC740)

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net) Add lines 4 - 8	9	
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b Also complete this part to provide any additional information

Identifier	Return Reference	Explanation

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
St Mary's Health Care System Inc

Employer identification number
58-0566223

Part I Charity Care and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a charity care policy? If "No," skip to question 6a	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization had multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals ☐ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care ☐ 100% ☐ 150% ☑ 200% ☐ Other _____ %	3a	Yes	
b	Did the organization use FPG to determine eligibility for providing *discounted* care? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☑ 400% ☐ Other _____ %	3b	Yes	
c	If the organization did not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Did the organization's policy provide free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b	Yes	
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?	5c		No
6a	Did the organization prepare a community benefit reportduring the tax year?	6a	Yes	
6b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Charity Care and Certain Other Community 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 benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheet 1)			5,281,135		5,281,135	3 400 %
b Medicaid (from Worksheet 3, column a)			19,532,394	12,451,056	7,081,338	4 560 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Charity Care and Means-Tested Government Programs			24,813,529	12,451,056	12,362,473	7 960 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)		23,614	146,712		146,712	0 090 %
f Health professions education (from Worksheet 5)		558	1,805,025	4,800	1,800,225	1 160 %
g Subsidized health services (from Worksheet 6)			353,221		353,221	0 230 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)		2,976	133,559		133,559	0 090 %
j **Total** Other Benefits		27,148	2,438,517	4,800	2,433,717	1 570 %
k **Total.** Add lines 7d and 7j		27,148	27,252,046	12,455,856	14,796,190	9 530 %

Part II Community Building Activities Complete this table if the organization conducted any community building activities.

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing						
2	Economic development						
3	Community support		30	34,252		34,252	0 020 %
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building						
7	Community health improvement advocacy						
8	Workforce development						
9	Other						
10	**Total**		30	34,252		34,252	0 020 %

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1	Yes		
2	Enter the amount of the organization's bad debt expense	2	4,503,704		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3	2,430,768		
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	60,632,273
6	Enter Medicare allowable costs of care relating to payments on line 5	6	81,378,015
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-20,745,742
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

9a	Did the organization have a written debt collection policy during the tax year?	9a	Yes		
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	Yes		

Part IV Management Companies and Joint Ventures (see instructions)

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership%	(e) Physicians' profit % or stock ownership %
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest)

How many hospital facilities did the organization operate during the tax year? 1

	Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	St Mary's Health Care System Inc 1230 Baxter Street Athens, GA 30606	X	X					X		Home Health, Hospice, and other OP Centers

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)

Name of Hospital Facility: St Mary's Health Care System Inc

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

		Yes	No
Community 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			
c ☐ 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			
f ☐ 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 ☐ Other (describe in Part VI)			
2 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 ☐ Hospital facility's website			
b ☐ Available 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		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	9	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 000000000000%			
If "No," explain in Part VI the criteria the hospital facility used			

Part 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 ☐ Uninsured discount			
	f ☐ Medicaid/Medicare			
	g ☐ State regulation			
	h ☐ Other (describe in Part VI)			
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility?	13	Yes	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
	a ☑ The policy was posted at all times on the hospital facility's web site			
	b ☐ The policy was attached to all billing invoices			
	c ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
	d ☑ The policy was posted in the hospital facility's admissions offices			
	e ☐ The policy was provided, in writing, to patients upon admission to the hospital facility			
	f ☑ The policy was available upon request			
	g ☐ Other (describe in Part VI)			
Billing and Collections				
14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial 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			
	a ☐ Reporting to credit agency			
	b ☐ Lawsuits			
	c ☐ Liens on residences			
	d ☐ Body attachments or arrests			
	e ☐ Other similar actions (describe in Part VI)			
16	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		No
	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			
	e ☐ Other (describe in Part VI)			

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

		Yes	No
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 regardless of their eligibility under the hospital facility's financial assistance policy?	**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			
c ☐ 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 FAP-eligible individuals for emergency or other medically necessary care			
a ☐ 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?	**20**		No
If "Yes," explain in Part VI			
21 Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services provided to that patient?	**21**		No
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

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)

How many non-hospital facilities did the organization operate during the tax year? _____

	Name and address	Type of Facility (Describe)
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

Part VI Supplemental Information

Complete this part to provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 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

3 **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

5 **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)

6 **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 6a Saint Mary's Health Care System's community benefit report is contained in a report prepared by a related organization, Catholic Health East

Identifier	ReturnReference	Explanation
		Part I, Line 7 The cost to charge ratio is not computed using worksheet 2 from the instructions the cost to charge ratio is computed by taking the full amount of expenses from the hospital statement of expenses, subtracting bad debt the dividing by gross revenue

Identifier	ReturnReference	Explanation
		Part I, Line 7g St Mary's Health Care System has a Pediatric Subspecialty Clinic where specialty physicians from outside the local area come and see patients from the local area The total cost for the Pedicatric Sub-specialty Clinic included in Part I, line 7g is $111,696

Identifier	ReturnReference	Explanation
		Part I, L7 Col(f) The amount of bad debt expense included on Form 990, Part IX, Line 25, column (a), but subtracted for purposes of calculating the percentages on schedule H, part I, line 7 column (f) is $14,555,783

Identifier	ReturnReference	Explanation
		Part II The director of Security attends and participates in emergency planning meetings throughout the year The planning allows collaboration of state and local agencies and organizations in order to prepare for a local or statewide emergency The Emergency Department also participates in quarterly meetings to address emergency service coordination in the Athens-Clarke County area Planning is a vital step in disaster management and will certainly increase community health in the case of an emergency St Mary's provided services and supplies to a local non-profit, Free IT Athens St Mary's IT staff helped clean old computers that were then donated to the organization which in turn donates them to people in need in the Athens community One of St Mary's staff coordinates the collection and recycling of all types of batteries from St Mary's employees and family This service keeps harmful chemicals from entering the environment through landfills Several St Mary's staff donated their time to a community wide education initiative called Whatever It Takes (WIT) WIT is working to ensure all students graduate from a post-secondary education They are taking a very comprehensive approach that includes health for mothers, children and families St Mary's staff have helped WIT put together comprehensive and effective health improvement plans Each year St Mary's hosts a Clergy Conference for the local clergy who visit and minister to patients in the hospital throughout the year This conference provides valuable education to these clergy and allows them to better address the emotional and spiritual needs of their parishioners and St Mary's patients St Mary's has played a vital role in the establishment of the new Georgia Health Sciences University/University of Georgia Medical Partnership The Chief Medical Officer has served on a committee to help guide the new medical school and establish working relationship with St Mary's as well as other health care organizations in the community St Mary's hosts many volunteers throughout the year including high school and college students as well as community members of all ages Volunteers work as part of the Auxiliary and serve more than 2,000 each month The volunteers not only serve the hospital in vital ways, but also receive experiential training in health care in a hospital setting Increased education and training correlates with increased health status Several departments of St Mary's are involved in mentoring students interested in healthcare careers St Mary's also financially supported the Clarke County Mentor Program which matches students with supportive adults St Mary's has played an integral role in the creation and work of the Athens Health Network (additional information below)

Identifier	ReturnReference	Explanation
		Part III, Line 4 The figures were calculated based on the cost-to-charge ratio The cost-to-charge ratio was derived by dividing total operating expenses (excluding bad debt expense) by total grosspatient charges The cost-to-charge ratio was applied to total bad debt write-offs to calculate the costs for line 2 While we make all reasonable efforts to identify patients eligible for charity care prior to billing, such pre-billing identification is not always possible This problem arises largely with patients treated in our Emergency Department ("ED") on an outpatient basis Frequently, these patients do not complete an application for financial assistance therefore making a definitive determination difficult The estimated amount for patients who likely would qualify for financial assistance is calculated for line 3 based on a review of bad debt write-offs to include only bad debt for uninsured patients, and estimating the amount of that cost that could be charity based on a review of applications for financial assistance A reasonable estimate based on the percentage of patients whose applications do not meet the criteria for financial assistance is used to estimate the amount that could qualify for financial assistance For financial reporting, an allowance for doubtful accounts is recordedfor estimated losses resulting from the unwillingness of patients 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

Identifier	ReturnReference	Explanation
		Part III, Line 8 The amount here is determined by using the actual patient charges, the Medicare cost-to-charge ratios that we are currently being paid on, and the payment-to-charges from the actual remittances Based on the calculation this shortfall should be viewed as uncompensated care provided to those patients and thus treated entirely as community benefit

Identifier	ReturnReference	Explanation
		Part III, Line 9b Accounts with applications pending for Charity Care or other assistance programs are held until the outcome of the application A "pending charity approval" is defined as an application that has been fully completed by the patient, submitted and is in the process of being determined for eligiblity It is acceptable (but not preferable) to take an account though the full collection cycle and later reclassify it as Charity Care as long as a consistent process is followed and a legitimate basis exists that the patient is unable to pay For example, with self pay accounts written off and sent to bad debt, reclassifying the account to Charity Care may be considered on the basis of all of the following factors 1 No Third party coverage or inadequate coverage exists, 2 No payments are recorded on the account,and 3 The patient/guarantor was billed a minimum of 4 times All self-pay accounts are automatically transferred to a third party billing agency The third party billing agency contacts the accountholder to arrange for payment If the third party billing agency has an account that has not been paid in full within 120 days, the account is then sent back to St Mary's Health Care System Upon receipt of an outstanding account, St Mary's Health Care System transfers the account to a collection agency

Identifier	ReturnReference	Explanation
St Mary's Health Care System, Inc		Part V, Section B, Line 19d The Hospital uses the average managed care write off percentage for self pay patients

Identifier	ReturnReference	Explanation
		Part VI, Line 7, The list of states in which CHE's community benefit report is filed are Alabama, Connecticut, Delaware, Florida, Georgia, Maine, Massachusetts, New Jersey, New York, North Carolina and Pennsylvania

Identifier	ReturnReference	Explanation
		The partnership St Mary's has with the Athens Health Network is seen as a very important part of our ministry and commitment to the Athens community The Athens Health Network was established to address the health care needs of the uninsured and underinsured populations of the Athens community St Mary's in partnership with three other institutions, University of Georgia, Athens-Clarke County government, and Athens Regional Medical Center, helped to establish this network and develop it into a 501c3 non-profit Currently, the Athens Health Network is working to help clinics implement electronic medical records, increase the capacity of the free or reduced cost clinics, and prepare for any changes that will affect our community over the next few years as a result of health care reform St Mary's believes that the Athens Health Network is going to greatly impact our community's health and we are eager to be a part of their mission

Identifier	ReturnReference	Explanation
		Part VI, Line 2 St Mary's Health Care System completed a community health needs assessment in July of 2010 as described in Section B In addition to the community health needs assessment, St Mary's is regularly updated on the health status and health care resources of the Athens community through the Athens Health Network of which St Mary's is a founding member

Identifier	ReturnReference	Explanation
		Part VI, Line 3 Information is displayed on the hospital website and at all registration areas about financial assistance policies All self-pay patients are visited by a financial counselor in the hospital and are screened for eligibility of financial assistance The screening process includes screening for eligibility for the Charity Care policy as well as government programs

Identifier	ReturnReference	Explanation
		Part VI, Line 4 St Mary's Health Care System is located in Athens-Clarke County and serves this community as well as Jackson, Madison, Monroe, Oglethorpe, and Oconee Counties The estimated population of Athens-Clarke County in 2010 was 116,714 people The estimated median age is about 27, almost 10 years younger that the Georgia county average This is due largely to the presence of the University of Georgia which currently enrolls more than 34,000 undergraduate and graduate students in total Athens-Clarke County is diverse with about 70% of the population being white, 25% African American, and about 10% Latino Athens-Clarke County is very educated, about 66% of residents have at least some college However, the high school graduation rate is only 70% which is much lower than the Georgia average of 81% Athens-Clarke County has a large population living in poverty, including 36% of children, and the median household income is only $34,000, which is $12,000 less than the Georgia average Finally, 23% of the population under age 65 is without health insurance The surrounding counties are more rural, slightly less diverse, and have less people living in poverty and without health insurance However, people in these counties have fewer local resources and may face barriers to receiving care related to distance or transportation

Identifier	ReturnReference	Explanation
		Part VI, Line 5 Many of St Mary's senior leadership serve on boards of community organizations Our president, most vice presidents and many directors donate their time and expertise to organizations that strive to improve community or state health These organizations include Mercy Health Center, Parish Nurses Resource Center, Athens Health Network, Oncology Nursing Society, Athens Technical College's Surgical Tech program, Homeless & Poverty Coalition, and Learning Ally St Mary's is dedicated to serving the community not only within the hospital but also through partnerships in our community Second, some of the physicians who work for St Mary's or are associated with our hospital, donate their time and services to the free clinics in Athens, for example Mercy Health Center and Athens Nurses Clinic The mission of St Mary's is to serve the community and we encourage all staff to serve the community outside of the hospital St Mary's also provides corporate donations and sponsorships to many organizations and community events including the American Red Cross, American Heart Association's Heart Walk, Athens Goes Pink Breast Cancer Awareness, Food Bank of Northeast Georgia, and Athens Maternity & Baby Fair

Identifier	ReturnReference	Explanation
		Part VI, Line 6 St Mary's Health Care System Inc operates as one organization to promote the health of the community All Community Benefits are reported together and there is one needs assessment for St Mary's Health Care System

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, 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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
St Mary's Health Care System Inc

Employer identification number
58-0566223

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☑ Yes ☐ No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed . . . . . ▶ ☐

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount 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
(1) American Heart Association1720 Epps Bridge Parkway Suite 108-383 Athens, GA 30606	13-5613797	501(c)(3)	20,000	7,388	FMV	Volunteer Staff Hours	Medical Reseach for Heart Disease
(2) Mercy Health Center767 Oglethorpe Ave Athens, GA 30606	58-2603523	501(c)(3)	25,000		fMV		Medical treatment of the underserved
(3) Athens Health NetworkP O Box 48917 Athens, GA 30604	27-5305499	501(c)(3)	15,000	1,476	FMV	Volunteer Staff Hours	Medical treatment of the underserved NOTE (IRC SECTION NUMBER APPLIED FOR)
(4) United Way of Northeast Ga1 Huntington Rd Ste 805 Athens, GA 30606	58-6008133	501(c)(3)	8,538	1,328	FMV	Volunteer Staff Hours	Funding for various charities
(5) Action Inc Athens Full Plate594 Oconee Street Athens, GA 30601	58-0961506	501(c)(3)		6,734	FMV	Food	Food for the Needy
(6) Global Health Ministries 3805 West Chester Pike Suite 100 Newton Square, PA 19073	23-3068656	501(c)(3)		6,044	FMV	Medical Supplies	Supplies for Mission Trips
(7) University of Georgia - Golf Course2600 Riverbend Road Athens, GA 30602	58-6001998	501(c)(3)	5,000		fMV		Sponsorship of Station Classic Golf Tournament
(8) St Marys Foundation Inc 1230 Baxter Street Athens, GA 30602	58-2544232	501(c)(3)	288,256		fMV		General Operation Funding

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . ▶ 7

3 Enter total number of other organizations listed in the line 1 table . . . . . ▶ 0

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) Amount of cash grant	(d) Amount 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 The type of financial assistance provided by the organization can be broken into two categories, national charities and local not-for-profit entities The organization does not ask organizations such as the American Cancer Society and the United Way for any documentation as to how the donated funds were used Smaller donations made to local organizations are usually event specific A comittee reviews the donations requests and assumes the money provided pay for the program subject to the request

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 58-0566223
Name: St Mary's Health Care System Inc

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount 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
American Heart Association1720 Epps Bridge Parkway Suite 108-383 Athens,GA 30606	13-5613797	501(c)(3)	20,000	7,388	FMV	Volunteer Staff Hours	Medical Reseach for Heart Disease
Mercy Health Center767 Oglethorpe Ave Athens,GA 30606	58-2603523	501(c)(3)	25,000		fMV		Medical treatment of the underserved

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount 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
Athens Health NetworkP O Box 48917 Athens, GA 30604	27-5305499	501(c)(3)	15,000	1,476	FMV	Volunteer Staff Hours	Medical treatment of the underserved NOTE (IRC SECTION NUMBER APPLIED FOR)
United Way of Northeast Ga1 Huntington Rd Ste 805 Athens, GA 30606	58-6008133	501(c)(3)	8,538	1,328	FMV	Volunteer Staff Hours	Funding for various charities

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount 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
Action Inc Athens Full Plate594 Oconee Street Athens,GA 30601	58-0961506	501(c)(3)		6,734	FMV	Food	Food for the Needy
Global Health Ministries3805 West Chester Pike Suite 100 Newton Square, PA 19073	23-3068656	501(c)(3)		6,044	FMV	Medical Supplies	Supplies for Mission Trips

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount 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
University of Georgia - Golf Course2600 Riverbend Road Athens, GA 30602	58-6001998	501(c)(3)	5,000		fMV		Sponsorship of Station Classic Golf Tournament
St Marys Foundation Inc 1230 Baxter Street Athens, GA 30602	58-2544232	501(c)(3)	288,256		fMV		General Operation Funding

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

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.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
St Mary's Health Care System Inc

Employer identification number
58-0566223

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax idemnification and gross-up payments ☐ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision of all the expenses described above? If "No," complete Part III to explain	**1b**		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**		
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply ☑ Compensation committee ☑ Written employment contract ☑ Independent compensation consultant ☑ Compensation survey or study ☐ Form 990 of other organizations ☑ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**		No
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	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 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

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-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) McKenna Don	(i)	0	0	0	0	0	0	0
	(ii)	348,034	157,561	74,201	11,025	22,596	613,417	0
(2) Hutson Martin	(i)	191,496	57,926	1,337	10,241	14,277	275,277	0
	(ii)	0	0	0	0	0	0	0
(3) Dugger Brenda	(i)	128,151	62,529	17,869	9,227	4,339	222,115	0
	(ii)	0	0	0	0	0	0	0
(4) Evans Nina	(i)	185,766	54,001	778	8,356	1,560	250,461	0
	(ii)	0	0	0	0	0	0	0
(5) Carter Montez	(i)	187,220	0	459	8,814	19,187	215,680	0
	(ii)	0	0	0	0	0	0	0
(6) English Jeffrey	(i)	153,704	46,288	1,302	7,124	9,772	218,190	0
	(ii)	0	0	0	0	0	0	0
(7) Schuller Karen	(i)	189,021	55,199	861	8,337	1,592	255,010	0
	(ii)	0	0	0	0	0	0	0
(8) Vaughn Kerry	(i)	0	0	0	0	0	0	0
	(ii)	125,610	16,392	0	6,390	25,305	173,697	0
(9) Camp Steven	(i)	180,784	0	11,373	5,574	12,505	210,236	0
	(ii)	0	0	0	0	0	0	0
(10) Wright Gary	(i)	140,113	24,049	2,915	0	11,954	179,031	0
	(ii)	0	0	0	0	0	0	0
(11) Griffiths Catherine	(i)	133,758	0	11,118	7,579	3,982	156,437	0
	(ii)	0	0	0	0	0	0	0
(12) Dixon-Martin Kelly	(i)	164,849	15,602	3,944	6,960	4,469	195,824	0
	(ii)	0	0	0	0	0	0	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

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ **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.**

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
St Mary's Health Care System Inc

Employer identification number
58-0566223

Part I Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	Dev Auth - Unified Govt of Athens Series 2009	58-2613761	047059BB5	03-19-2009	16,036,560	Current Refunding & Swap Termination		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	315,000			
2	Amount of bonds defeased				
3	Total proceeds of issue	16,036,560			
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrow				
7	Issuance costs from proceeds	296,790			
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds				
11	Other spent proceeds	15,739,770			
12	Other unspent proceeds				
13	Year of substantial completion	2009			

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X							
15	Were the bonds issued as part of an advance refunding issue?		X						
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III Private Business Use

		A		B		C		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?								
2	Are there any lease arrangements that may result in private business use of bond-financed property?								

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use?								
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?								
c	Are there any research agreements that may result in private business use of bond-financed property?								
d	If 'Yes' to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶								
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 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 ensure the post-issuance compliance of its tax-exempt bond liabilities?								

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X						
2	Is the bond issue a variable rate issue?		X						
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X						
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								
4a	Were gross proceeds invested in a GIC?		X						
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?		X						
6	Did the bond issue qualify for an exception to rebate?		X						

Part V Procedures To Undertake Corrective Action

Check the box if the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations . . . . . ☑ Yes ☐ No

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 I, Bond Issues (a) Issurer Name Dev Auth - Unified Govt of Athens Series 2009 (f) Description of Purpose Current Refunding & Swap Termination

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V lines 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
St Mary's Health Care System Inc

Employer identification number
58-0566223

Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1 (a) Name of disqualified person	(b) Description of transaction	(c) Corrected? Yes	(c) Corrected? No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 . . . . . ▶ $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . . ▶ $

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

(a) Name of interested person and purpose	(b) Loan to or from the organization? To	(b) From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	(e) No	(f) Approved by board or committee? Yes	(f) No	(g) Written agreement? Yes	(g) No
Total . . . . . ▶ $										

Part III Grants or Assistance Benefitting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of grant or type of assistance

Part IV **Business Transactions Involving Interested Persons.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) Athens Hospitalist Services PC	Dr Middendorf, officer - key employee of Athens Hospitalist Services	2,509,235	Physician Services		No

Part V **Supplemental Information**

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

Identifier	Return Reference	Explanation

efile GRAPHIC print - DO NOT PROCESS	As Filed Data -	DLN: 93493320024252

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
St Mary's Health Care System Inc

Employer identification number
58-0566223

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section A, line 6	CHE is the sole member

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section A, line 7a	Yes, CHE approves the appointment of all Board members

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section A, line 7b	CHE has limited reserved powers to approve decisions of the governing body

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 11	The organization took steps to educate management, members of the board and members of appropriate subcommittees of the board on the compliance requirements mandated by the Form 990 The form was reviewed by management and then submitted to the board or a subcommittee thereof which reported its findings to the board

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 12c	The organization has adopted CHE's policy 103, which sets forth the organization's conflict-of-interest policy and processes Annually, all those serving St Mary's Health Care System in a fiduciary capacity, including directors, officers and key employees 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 CEO and board's Chair Summary information is reported to the entire board and available to the board throughout the year as business comes before the board or management for action 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 board or an appropriated committee thereof comprised of dis-interested persons and without the participation of the affected individual except to respond to questions about the disclosure The policy further addresses the procedure for the board's further consideration of the proposed transaction/matter without the participation of the affected person and the documentation of the proceedings Lastly, the policy addresses potential disciplinary action for violations of the policy The policy is available to the public upon request

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 15	The organization has adopted CHE's process for determining compensation which includes the following 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 contenet comparisons The committee reviews the market analysis, approves any salary adjustments for the executive population, considers both reasonableness and effectiveness of all remunerative programs and establishes the detailed performance expectations which are incorparated into the incentive plan All of these discussions and decisions are documented through the provision of meeting minutes

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section C, line 19	Organizational Articles of Incorporation, Corporate By-laws, governance policies believed to be of interest to the public, conflict-of-interest policy, annual community benefit report and IRS Form 990 are available upon request

Identifier	Return Reference	Explanation
Changes in Net Assets or Fund Balances	Form 990, Part XI, line 5	Net unrealized losses on investments -948,362 Release of Net Assets for Depreciation -214,087 Pension Adjustment -7,570,555 Contribution to Foundation 288,256 Change in Fair Value of Interest Rate Swaps -234,683 Total to Form 990, Part XI, Line 5 -8,679,431

Identifier	Return Reference	Explanation
Explanation of financial statements	Form 990, Part XII, Line 2a & 2b	While the entity does not have individual audited financial statements, an audit for CHE's consolidated financial statements was performed

Identifier	Return Reference	Explanation
	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

Identifier	Return Reference	Explanation
		Disclosure Statement Related to Form 5471 Filed by Catholic Health East and Saint Michael's Medical Center Under the constructive ownership rule of Internal Revenue Code Sections 318(a) and 958(b), the organization is required to file Form 5471, Information Return of U S Persons With Respect to Certain Foreign Corporations, as a Category 4 and/or Category 5 filer with respect to Stella Maris Insurance Company Limited and Chestnut Risk Services, LTD (collectively, the "foreign corporations") This filing requirement is, or will be, satisfied through the filing of Forms 5471 with respect to the foreign corporations on the organization's behalf by the U S organizations identified below Foreign Corporation Stella Maris Insurance Company U S Organization Catholic Health East Address 3805 West Chester Pike, Suite 100, Newtown Square, Pennsylvania 19073 Identifying Number of U S Tax Return with Which Form 5471 was filed 23-2929748 IRS Service Center Where U S Return Was Filed Ogden, UT Foreign Corporation Chestnut Risk Services, LTD U S Organization Saint Michael's Medical Center Address 111 Central Avenue, Newark, New Jersey 07102 Identifying Number of U S Tax Return with Which Form 5471 was filed 26-2616046 IRS Service Center Where U S Return Was Filed Ogden, UT

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ 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.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
St Mary's Health Care System Inc

Employer identification number
58-0566223

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(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 section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
See Additional Data Table							

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)	(d) Direct 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) Disproportionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
See Additional Data Table												

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							

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, 35A, or 36.)

		Yes	No
Note. Complete line 1 if any entity is listed in Parts II, III or IV			
1 During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties **(iv)** rent from a controlled entity	1a		No
b Gift, grant, or capital contribution to related organization(s)	1b		No
c Gift, grant, or capital contribution from related organization(s)	1c	Yes	
d Loans or loan guarantees to or for related organization(s)	1d		No
e 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		No
h Exchange of assets with related organization(s)	1h		No
i Lease of facilities, equipment, or other assets to related organization(s)	1i		No
j Lease of facilities, equipment, or other assets from related organization(s)	1j		No
k Performance of services or membership or fundraising solicitations for related organization(s)	1k		No
l Performance of services or membership or fundraising solicitations by related organization(s)	1l		No
m Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1m		No
n Sharing of paid employees with related organization(s)	1n		No
o Reimbursement paid to related organization(s) for expenses	1o	Yes	
p Reimbursement paid by related organization(s) for expenses	1p		No
q Other transfer of cash or property to related organization(s)	1q	Yes	
r Other 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, including covered relationships and transaction thresholds

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) See Additional Data Table			
(2)			
(3)			
(4)			
(5)			
(6)			

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)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(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	

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 58-0566223
Name: St Mary's Health Care System Inc

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 512(b)(13) controlled organization	
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 3805 West Chester Pike Suite 100 Newtown Square, PA 19073 35-2336834	Management & Support Services	PA	501(c)(3)	Line 11b, II	Catholic Health East	Yes	
Mercy Health System of Maine 144 State Street Portland, MA 04101 01-0484074	Management & Support Services	ME	501(c)(3)	Line 11c, III-FI	Catholic Health East	Yes	
Mercy Hospital 144 State Street Portland, MA 04101 01-0211534	Hospital	ME	501(c)(3)	Line 3	Mercy Health System of Maine	Yes	
St Peter's Health Partners 315 South Manning Blvd Albany, NY 12208 45-3570715	Management & Support Services	NY	501(c)(3)	Line 11b, II	Catholic Health East	Yes	
St Peter's Health Care Services 315 South Manning Blvd Albany, NY 12208 22-2702507	Management & Support Services	NY	501(c)(3)	Line 9	St Peter's Health Partners	Yes	
St Peter's Hospital 315 South Manning Blvd Albany, NY 12208 14-1348692	Hospital	NY	501(c)(3)	Line 3	St Peter's Health Care Services	Yes	
St Peter's Hospital Foundation Inc 319 South Manning Blvd Suite 309 Albany, NY 12208 22-2262982	Fundraising & Public Relations	NY	501(c)(3)	Line 7	St Peter's Health Care Services	Yes	
Eddy Licensed Home Care Agency 433 River St Suite 3000 Troy, NY 12180 14-1818568	Home Health	NY	501(c)(3)	Line 3	LTC(Eddy) Inc	Yes	
The Community Hospice Foundation Inc 295 Valley View Blvd Rensselaer, NY 12144 22-2692940	Fundraising & Public Relations	NY	501(c)(3)	Line 7	The Community Hospice Inc	Yes	
The Community Hospice Inc 295 Valley View Blvd Rensselaer, NY 12144 14-1608921	Serving seriously ill people & their families	NY	501(c)(3)	Line 3	St Peter's Health Care Services	Yes	
Villa Mary Immaculate 301 Hackett Blvd Albany, NY 12208 14-1438749	Nursing Home & Physical Rehab	NY	501(c)(3)	Line 3	St Peter's Hospital	Yes	
Warde Service Corporation Inc 159 Wolf Road 3rd Floor Albany, NY 12205 14-1732097	Supporting & strengthing the ministries of rel sr mercy	NY	501(c)(3)	Line 9	St Peter's Health Care Services	Yes	
Mercy Care for Kids Inc 310 South Manning Blvd Albany, NY 12208 14-1717564	Day care center	NY	501(c)(3)	Line 9	St Peter's Health Care Services	Yes	
Our Lady of Mercy Life Center 2 Mercycare Lane Guilderland, NY 12084 14-1743506	Nursing Home Facility	NY	501(c)(3)	Line 3	St Peter's Health Care Services	Yes	
St Peter's Auxiliary 315 South Manning Blvd Albany, NY 01228 22-2843206	Auxiliary	NY	501(c)(3)	Line 11a, I	St Peter's Health Care Services	Yes	
Memorial Hospital Albany NY 600 Northern Blvd Albany, NY 12204 14-1338457	General Hospital	NY	501(c)(3)	Line 3	Northeast Health Inc	Yes	
Beechwood Inc 2212 Burdett Ave Troy, NY 12180 14-1651563	Real estate holding	NY	501(c)(2)	N/A	LTC (Eddy) Inc	Yes	
Beverwyck Inc 40 Autumn Drive Slingerlands, NY 12159 14-1717028	Independent/Assisted Living Retirement Community	NY	501(c)(3)	Line 9	LTC (Eddy) Inc	Yes	
Capital Region Geriatric Center Inc 421 West Columbia St Cohoes, NY 12047 14-1701597	Nursing Home	NY	501(c)(3)	Line 9	LTC (Eddy) Inc	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 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	Adult Home/Alzheimers	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)	Line 3	Northeast Health Inc	Yes	
Shaker Properties Inc 2212 Burdett Ave Troy, NY 12180 22-3119822	Real Estate holding	NY	501(c)(2)	N/A	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)	Line 9	Home Aid 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)	Line 9	Northeast Health Inc	Yes	
The Northeast Health Foundation Inc 2224 Burdett Ave Troy, NY 12180 22-2743478	Supporting foundation	NY	501(c)(3)	Line 7	Northeast Health Inc	Yes	
Northeast Health Inc 2212 Burdett Ave Troy, NY 12180 04-2450756	Supporting Organization	NY	501(c)(3)	Line 11b, II	St Peter's Health Partners	Yes	
Seton Health System Inc 1300 Massachusetts Avenue Troy, NY 12180 14-1776186	Hospital	NY	501(c)(3)	Line 3	St Peter's Health Partners	Yes	
Seton Auxiliary Inc 1300 Massachusetts Avenue Troy, NY 12180 14-1505031	Supporting Organization	NY	501(c)(3)	Line 9	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)	Line 9	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)	Line 3	Seton Health System Inc	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 512(b)(13) controlled organization	
Vincentian Health Services 1300 Massachusetts Avenue Troy, NY 12180 14-1685163	Discontinued Operations	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 Operations	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	MA	501(c)(3)	Line 9	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	MA	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	Acute Care	MA	501(c)(3)	Line 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	MA	501(c)(3)	Line 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	MA	501(c)(3)	Line 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	MA	501(c)(3)	Line 11a, I	Catholic Health East	Yes	
McAuley Center Inc 275 Steele Road West Hartford, CT 06117 06-1058086	Independent Living	CT	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	CT	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	CT	501(c)(3)	Line 9	Mercy Community Health Inc	Yes	
Mercy Services 2021 Albany Avenue West Hartford, CT 06117 06-1453323	Support Services	CT	501(c)(3)	Line 1	Mercy Community Health Inc	Yes	
Mercyknoll Inc 2021 Albany Avenue West Hartford, CT 06117 06-0757380	Skilled Nursing	CT	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	CT	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	CT	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 512(b)(13) controlled organization	
St James Mercy Hospital 411 Canisteo Street Hornell, NY 14843 16-0743310	Hospital	NY	501(c)(3)	Line 3	St James Mercy Health System Inc	Yes	
Marian Community Hospital 100 Lincoln Avenue Carbondale, PA 18407 24-0711230	Hospital	PA	501(c)(3)	Line 3	Maxis Health System	Yes	
Marian Community Hospital Auxiliary 100 Lincoln Avenue Carbondale, PA 18407 25-1874733	Fundraising	PA	501(c)(3)	Line 11b, II	Maxis Health System	Yes	
Maxis Foundation 100 Lincoln Avenue Carbondale, PA 18407 23-2330090	Fundraising	PA	501(c)(3)	Line 11b, II	Maxis Health System	Yes	
Maxis Health System 100 Lincoln Avenue Carbondale, PA 18407 91-1940902	Health Care System	PA	501(c)(3)	Line 11b, II	Catholic Health East	Yes	
Maxis Medical Services 100 Lincoln Avenue Carbondale, PA 18407 23-2577185	Physician Practices	PA	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)	Line 7	Maxis Health System	Yes	
Columbus Acquisition Corp 1160 Raymond Boulevard Newark, NJ 07102 26-2616342	Inactive Entity	NJ	501(c)(3)	Line 9	Saint Michaels Medical Center	Yes	
Saint Michaels Medical Center 111 Central Avenue Newark, NJ 07102 26-2616046	Hospital	NJ	501(c)(3)	Line 3	Catholic Health East	Yes	
St James Care Inc 1160 Raymond Boulevard Newark, NJ 07102 26-2616230	Inactive Entity	NJ	501(c)(3)	Line 9	Saint Michaels Medical Center	Yes	
St Michaels Medical Center Foundation 1160 Raymond Boulevard Newark, NJ 07102 22-3311976	Foundation	NJ	501(c)(3)	Line 11a, I	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	
St Francis Medical Center Trenton NJ 601 Hamilton Avenue Trenton, NJ 08629 22-3431049	Hospital	NJ	501(c)(3)	Line 3	Catholic Health East	Yes	
Langhorne MRI Inc 1201 Langhorne-Newtown Road Langhorne, PA 19047 23-2519529	Inactive Entity	PA	501(c)(3)	Line 9	St Mary Medical Center	Yes	
Langhorne Physician Services Inc 1201 Langhorne-Newtown Road Langhorne, PA 19047 23-2571699	Physician Services	PA	501(c)(3)	Line 9	St Mary Medical Center	Yes	
LIFE St Mary 1201 Langhorne-Newtown Road Langhorne, PA 19047 26-2976184	Elderly Care	PA	501(c)(3)	Line 9	St Mary Medical Center	Yes	
St Mary Medical Center 1201 Langhorne-Newtown Road Langhorne, PA 19047 23-1913910	Hospital	PA	501(c)(3)	Line 3	Catholic Health East	Yes	
St Mary Medical Center Foundation Inc 1201 Langhorne-Newtown Road Langhorne, PA 19047 23-2567468	Foundation	PA	501(c)(3)	Line 7	St Mary Medical Center	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 512(b)(13) controlled organization	
East Norriton Physician Services c/o One West Elm Street Conshohocken, PA 19428 23-2515999	Physician Services	PA	501(c)(3)	Line 3	Mercy Health System of Southeastern Pennsylvania	Yes	
Mercy Catholic Medical Center of Southeastern Pennsylvania One West Elm Street Conshohocken, PA 19428 23-1352191	Acute Care Hospital	PA	501(c)(3)	Line 3	Mercy Health System of Southeastern Pennsylvania	Yes	
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 23-2829864	Fundraising	PA	501(c)(3)	Line 11b, II	Mercy Health System of Southeastern Pennsylvania	Yes	
Mercy Health Plan c/o One West Elm Street Conshohocken, PA 19428 22-2483605	Health Plans	PA	501(c)(3)	Line 11b, II	Mercy Health System of Southeastern Pennsylvania	Yes	
Mercy Health System of Southeastern Pennsylvania One West Elm Street Conshohocken, PA 19428 23-2212638	Management & Support Services	PA	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	PA	501(c)(3)	Line 9	Mercy Health System of Southeastern Pennsylvania	Yes	
Mercy Home Health Services 1001 Baltimore Pike Suite 301 Springfield, PA 19064 23-2325058	Home Health	PA	501(c)(3)	Line 11b, II	Mercy Health System of Southeastern Pennsylvania	Yes	
Mercy Management of Southeastern Pennsylvania One West Elm Street Conshohocken, PA 19428 23-2627944	Physician Practices	PA	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	Acute Care Hospital	PA	501(c)(3)	Line 3	Mercy Health System of Southeastern Pennsylvania	Yes	
Nazareth Health Care Foundation 2701 Holme Avenue Philadelphia, PA 19152 23-2300951	Fundraising	PA	501(c)(3)	Line 11b, II	Mercy Health System of Southeastern Pennsylvania	Yes	
Nazareth Hospital 2601 Holme Avenue Philadelphia, PA 19152 23-2794121	Acute Care Hospital	PA	501(c)(3)	Line 3	Mercy Health System of Southeastern Pennsylvania	Yes	
Nazareth Physician Services Inc 2601 Holme Avenue Philadelphia, PA 19152 20-3261266	Physician Practices	PA	501(c)(3)	Line 3	Mercy Health System of Southeastern Pennsylvania	Yes	
NE Physician Services 2601 Holme Avenue Philadelphia, PA 19152 23-2497355	Physician Practices	PA	501(c)(3)	Line 3	Mercy Health System of Southeastern Pennsylvania	Yes	
St Agnes Continuing Care Center 1900 S Broad Street Philadelphia, PA 19145 23-2840137	Continuing Care Services	PA	501(c)(3)	Line 3	Mercy Health System of Southeastern Pennsylvania	Yes	
St Agnes Continuing Care Center Foundation 1900 S Broad Street Philadelphia, PA 19145 23-2415137	Fundraising	PA	501(c)(3)	Line 11b, II	Mercy Health System of Southeastern Pennsylvania	Yes	
Life at Lourdes Inc 1600 Haddon Avenue Camden, NJ 08108 26-1854750	Elderly Care	NJ	501(c)(3)	Line 3	Our Lady of Lourdes Health Care Services	Yes	
Lourdes Ancillary Services 1600 Haddon Avenue Camden, NJ 08103 22-2568525	Supporting Organization	NJ	501(c)(3)	Line 11b, II	Our Lady of Lourdes Health Care Services	Yes	
Lourdes Dialysis at Innova Inc 1600 Haddon Avenue Camden, NJ 08108 26-3237625	Hospital	NJ	501(c)(3)	Line 3	Our Lady of Lourdes Health Care Services	Yes	
Lourdes Medical Center Burlington County 218 Sunset Road Willingboro, NJ 08046 22-3612265	Hospital	NJ	501(c)(3)	Line 3	Our Lady of Lourdes Health Care Services	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 512(b)(13) controlled organization	
Our Lady of Lourdes Health Care Services 1600 Haddon Avenue Camden, NJ 08103 22-2568528	Management & Support Services	NJ	501(c)(3)	Line 11b, II	Catholic Health East	Yes	
Our Lady of Lourdes Health Foundation Inc 1600 Haddon Avenue Camden, NJ 08103 22-2351960	Foundation	NJ	501(c)(3)	Line 7	Our Lady of Lourdes Health Care Services	Yes	
Our Lady of Lourdes Medical Center 1600 Haddon Avenue Camden, NJ 08103 21-0635001	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 PO Box 2500 Wilmington, DE 19805 51-0064326	Hospital	DE	501(c)(3)	Line 3	Catholic Health East	Yes	
LIFE at St Francis Healthcare Inc 7th Clayton Streets Wilmington, DE 19805 45-2569214	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	PA	501(c)(3)	Line 9	Pittsburgh Mercy Health System	Yes	
Mercy Jeannette Hospital 3805 West Chester Pike Newtown Square, PA 19073 25-1310602	Inactive Entity	PA	501(c)(3)	Line 9	Pittsburgh Mercy Health System	Yes	
Mercy Life Center Corporation 1200 Reedsdale Street Pittsburgh, PA 15233 25-1604115	Community Treatment	PA	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	PA	501(c)(3)	Line 11b, II	Catholic Health East	Yes	
St Joseph's of the Pines Inc 100 Gossman Drive Suite B 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 Outreach	GA	501(c)(3)	Line 7	Saint Joseph's Health System Inc	Yes	
Good Samaritan HospitalInc 1201 Siloam Road Greensboro, GA 30462 26-1720984	Hospital	GA	501(c)(3)	Line 3	Saint Joseph's Health System Inc	Yes	
Saint Joseph's Health System Inc 5673 Peachtree-Dunwoody Road Suite 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 Outreach	GA	501(c)(3)	Line 7	Saint Joseph's Health System Inc	Yes	
Saint Joseph's Mercy Foundation Inc 5673 Peachtree-Dunwoody Road Suite Atlanta, GA 30342 58-1448522	Fundraising	GA	501(c)(3)	Line 11b, II	Saint Joseph's Health System Inc	Yes	
Mercy Services Downtown Inc 5673 Peachtree-Dunwoody Road Suite Atlanta, GA 30342 27-2046353	Real Estate Holding Company	GA	501(c)(3)	Line 11b, II	Saint Joseph's Health System Inc	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 - 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	
St Mary's Highland Hills Inc 1230 Baxter Street Athens, GA 30606 02-0576648	Assisted Living & Retirement Community	GA	501(c)(3)	Line 3	St Mary's Health Care System Inc	Yes	
St Mary's Medical Group Inc 1230 Baxter Street Athens, GA 30606 26-1858563	Hospital / Physician Services	GA	501(c)(3)	Line 3	St Mary's Health Care System Inc	Yes	
Mercy Medical Corporation PO Box 1090 101 Villa Drive Daphne, AL 36526 63-6002215	Hospital	AL	501(c)(3)	Line 3	Catholic Health East	Yes	
Mercy LIFE of Alabama PO Box 1090 101 Villa Drive Daphne, AL 36526 27-3163002	Hospital	AL	501(c)(3)	Line 3	Mercy Medical Corporation	Yes	
Allegany Franciscan Ministries Inc 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)	Line 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)	N/A	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	Outpatient 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 Sister Emmanuel Hospital 3663 South Miami Avenue Miami, FL 33133 51-0461511	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)	Line 11a, I	Mercy Health System of Maine	Yes	
Providence Place Inc 5 Gamelin Street Holyoke, MA 01040 04-3404084	Retirement Community	MA	501(c)(3)	Line 9	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	
Sunnyview Hospital & Rehabilitation Center Foundation 1270 Belmont Ave Schenectady, NY 12308 22-2505127	Supporting foundation	NY	501(c)(3)	Line 11a, I	Sunnyview Hospital & Rehabilitation Ctr		No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct 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) Disproprtionate allocations?		(i) Code V-UBI amount on Box 20 of K-1 ($)	(j) General or Managing Partner?		(k) Percentage ownership
							Yes	No		Yes	No	
St Peter's Ambulatory Surgery Center LLC 1375 Washington Avenue Ste 201 Albany, NY 12206 46-0463892	Surgery	NY	N/A									
Catherine Horan Building Limited Partnership 1221 Main Street Room 108 Holyoke, MA 010400000 04-2723429	Property Management	MA	N/A									
Western Massachusetts PETCT Imaging Center LLC 100 Bayview Circle Ste 400 Newport Beach, CA 92660 20-4744663	Outpatient Medical Services	DE	N/A									
Central New Jersey Heart Services LLC 10720 Sikes Places Ste 300 Charlotte, NC 28277 20-8525458	Cardiac Program	NJ	N/A									
Langhorne MOB Partners LP 1201 Langhorne-Newtown Road Langhorne, PA 19047 23-2622772	Investment and operation of a medical building	PA	N/A									
SMMC MOB II LP 1201 Langhorne-Newtown Road Langhorne, PA 19047 36-4559869	Investment and operation of a medical building	PA	N/A									
The Ambulatory Surgery Center at St Mary LLC 1203 Langhorne-Newton Road Langhorne, PA 19047 23-2871206	Outpatient Surgery	PA	N/A									
AmeriHealth Mercy Health Plan 200 Stevens Drive Suite 350 Philadelphia, PA 19113 23-2859523	Medicaid Managed Care Organization	PA	N/A									
Amerihealth Mercy of Indiana LLC 200 STEVENS DRIVE Suite 350 Philadelphia, PA 19113 20-4948091	PREPAID HEALTH CARE SERVICES	IN	N/A									
East Norriton Medical Associates One West Elm Street Conshohocken, PA 19428 23-2319531	Medical Office Building	PA	N/A									
East Norriton Medical Associates One West Elm Street Conshohocken, PA 19428 23-2319531	Medical Office Building	PA	N/A									
Gateway Health Plan 300 Grant Street Pittsburgh, PA 15219 25-1691945	Medicaid & Medicare/Special Needs Managed Care Organization	PA	N/A									
Keystone Mercy Health Plan 100 Stevens Drive Philadelphia, PA 19113 23-2842344	Medicaid Managed Care Organization	PA	N/A									
MercyManor 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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct 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) Disproprtionate allocations?		(i) Code V-UBI amount on Box 20 of K-1 ($)	(j) General or Managing Partner?		(k) Percentage ownership
							Yes	No		Yes	No	
Nazareth Medical Office Building Associates LP c/o Nazareth Hospital 2601 Holme Av Philadelphia, PA 19152 23-2388040	Medical Office Building	PA	N/A									
Nazareth Medical Office Building Associates LP c/o Nazareth Hospital 2601 Holme Av Philadelphia, PA 19152 23-2388040	Medical Office Building	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									
SJV Management LLC 200 Century Pkwy Ste 200E Mount Laurel, NJ 08054 20-2273476	Radiology	NJ	N/A									
Physicians Outpatient Surgery Center LLC 1000 NE 56th Oakland Park, FL 33334 35-2325646	Ambulatory Surgery Center	FL	N/A									
Center for Surgery & Digestive Orders 3641 South Miami Avenue Miami, FL 33133 51-0438152	Outpatient Medical Services	FL	N/A									

Form 990, Schedule R, Part IV - Identification of Related Organizations Taxable as a Corporation 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
Samaritan Medical Office Building Inc 2212 Burdett Avenue Troy, NY 12180 14-1607244	Real Estate	NY	N/A	C			
Affiliated Management Services Corporation Inc 1300 Massachusetts Avenue Troy, NY 12180 14-1668024	Real Estate	NY	N/A	C			
Catherine Horan Building Inc c/o SPHS 1221 Main Street Suite 108 Holyoke, MA 010400000 04-2938180	Building Management	MA	N/A	C			
Diversified Community Services Inc c/o SPHS 1221 Main Street Suite 108 Holyoke, MA 010400000 04-3128890	Medical Services	MA	N/A	C			
Mercy Inpatient Medical Associates Inc c/o SPHS 1221 Main Street Suite 108 Holyoke, MA 010400000 04-3029829	Medical Services	MA	N/A	C			
Providence Home Care Inc c/o SPHS 1221 Main Street Suite 108 Holyoke, MA 010400000 04-3317426	Health Care Services	MA	N/A	C			
System Coordinated Services Inc c/o SPHS 1221 Main Street Suite 108 Holyoke, MA 010400000 04-2938181	Lab Services	MA	N/A	C			
Physicians Medical Office Building Condominium Trust 1221 Main Street Room 108 Holyoke, MA 010400000 04-6608649	Property Management	MA	N/A	C			
SJM Properties Inc 411 Canisteo Street Hornell, NY 148482104 16-1294991	Property Holdings	NY	N/A	C			
Carbondale Area Physicians' Association PC 100 Lincoln Ave Carbondale, PA 18407 23-2801677	Medical Insurance Contracting	PA	N/A	C			
Carbondale Area Physicians' PHO Inc 100 Lincoln Ave Carbondale, PA 18407 23-2801676	Inactive	PA	N/A	C			
Carbondale Physicians' Services Inc 100 Lincoln Ave Carbondale, PA 18407 23-2365077	Pharmacy	PA	N/A	C			
Chestnut Risk Services Ltd 11 Victoria Street Hamilton BD	Insurance	BD	N/A	C			
LifeCare Physicians PC 601 Hamilton Avenue trenton, NJ 086291986 26-1649038	Health Care Services	NJ	N/A	C			
Multicare Plus Inc 601 Hamilton Avenue Trenton, NJ 086291986 22-3435844	Inactive	NJ	N/A	C			
Langhorne Services II Inc 1201 Langhorne-Newtown Road Langhorne, PA 190470000 25-3795549	General Partner of LMOB Partners, II	PA	N/A	C			
Langhorne Services Inc 1201 Langhorne-Newtown Road Langhorne, PA 190470000 23-2625981	General Partner of LMOB Partners	PA	N/A	C			
AMHP Holdings Corp 200 Stevens Drive Philadelphia, PA 19113 26-1144363	Behavorial Health	PA	N/A	C			
Select Health of South Carolina Inc 4390 Belle Oaks Drive Suite 400 Charleston, SC 29405 57-1032456	Health Maintenance Organization	SC	N/A	C			
Gateway Health Plan Inc 600 Grant Street Pittsburgh, PA 15219 25-1505506	Health Care	PA	N/A	C			

Form 990, Schedule R, Part IV - Identification of Related Organizations Taxable as a Corporation 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	PA	N/A	C			
MCMC Eastwick Inc c/o MHS One West Elm Street Conshohocken, PA 19428 23-2184261	Medical Office Buildings	PA	N/A	C			
Community Behavorial Healthcare Network of PA Inc 8040 Carlson Road Harrisburg, PA 17112 25-1765391	Behavorial Health	PA	N/A	C			
Health Management Services Org Inc 500 Grove Street Suite 100 Haddon Heights, NJ 08035 22-3366580	Health Care Billing	NJ	N/A	C			
Jeannette Medical Providers 3805 West Chester Pike Newtown Square, PA 19073 25-1787334	Holding Company	PA	N/A	C			
Jeannette OBGYN Group 1 Inc 3805 West Chester Pike Newtown Square, PA 19073 23-2890748	Holding Company	PA	N/A	C			
Jeannette Primary Care Group 1 Inc 3805 West Chester Pike Newtown Square, PA 19073 23-2890743	Holding Company	PA	N/A	C			
Georgia Health Enterprises LLC 11440 Commerce Park Drive Reston, VA 20191 54-1806329	Healthcare	VA	St Mary's Health Care System Inc	C			100 000 %
St Mary's Highland Hills Village Inc 1660 Jennings Mill Pkly Bogart, GA 30622 58-2276801	Assisted Living	GA	St Mary's Health Care System Inc	C		6,197,076	100 000 %
GHE Physicians PC 3500 Piedmont Road Atlanta, GA 30305 58-2277939	Practice Management	GA	N/A	C			
Nursing Network Inc 4725 North Federal Highway Fort Lauderdale Highwa, FL 333080000 59-1145192	Medical Services	FL	N/A	C			
Mercy Physician Group Inc 3663 South Miami Avenue Miami, FL 33133 20-2970015	Health Care	FL	N/A	C			
Stella Maris Insurance Company Limited PO Box 69 Grand Cayman, Cayman Islands KY1-1102 CJ 98-0078266	Insurance	CJ	N/A	C			
Catholic Health East Senior Services 3805 West Chester Pike Suite 100 Newtown Square, PA 19073 37-1572595	Senior Services	PA	N/A	C			

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved ($)	(d) Method of determining amount involved
(1)	St Marys Highland Hills Inc	R	3,235,000	Fair Market Value
(2)	St Marys Highland Hills Inc	Q	3,935,398	Fair Market Value
(3)	St Marys Medical Group Inc	R	5,966,585	Fair Market Value
(4)	St Marys Medical Group Inc	Q	11,786,106	Fair Market Value
(5)	Catholic Health East	O	5,870,881	Fair Market Value
(6)	St Marys Foundation Inc	Q	402,768	Fair Market Value
(7)	St Marys Foundation Inc	C	53,065	Fair Market Value

Catholic Health East

Consolidated Financial Statements
December 31, 2011 and 2010

pwc

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

PricewaterhouseCoopers LLP

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		
Cash and cash equivalents	$751,251	$426,782
Investments	130,635	78,025
Marketable securities whose use is limited	12,209	35,342
Patient accounts receivable, net of estimated uncollectibles of $320,921 and $329,031 for 2011 and 2010, respectively	465,386	489,120
Collateral received on securities pledged	130,364	35,104
Other accounts receivable	119,132	137,811
Prepaid expenses and inventories	116,985	123,386
Assets held for sale	27	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)	81
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		
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)
Net realized gains on investments	(32,497)	(34,943)
Net unrealized losses (gains) on investments	23,379	(50,917)
Equity in earnings of unconsolidated organizations	(158,028)	(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		
Additions to property and equipment	(216,105)	(207,202)
Cash contributed to St Joseph's / Emory Healthcare Joint Operating Agreement	(57,117)	-
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	-	(2,900)
Repayments of long-term debt	(169,069)	(415,281)
Increase (decrease) in payable under collateral received on securities pledged	95,260	(12,272)
Net cash used in financing activities of discontinued operations	-	(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

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	373
Pension adjustment	(6,209)
Other changes	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	60,027	44,632
Losses from Saint Joseph's Health System	(31,249)	(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	(120,636)	(56,461)
Increase in unrestricted net assets before discontinued operations	98,505	205,116
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	$14,750,742	$14,367,456
Less		
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 Value	Unfunded Commitments	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	Total	Valuation Technique
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	Level 2	Level 3	Total	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

(in thousands of dollars)	2011		
	Consolidated Investment Program	Locally Invested	Total
Fair value January 1	$11	$5,370	$5,381
Purchases	-	5,365	5,365
Realized gains	-	431	431
Unrealized losses	(3)	(597)	(600)
Transfers out	(8)	(2,621)	(2,629)
Sales	-	(1,476)	(1,476)
Fair value December 31	$ -	$6,472	$6,472

(in thousands of dollars)	2010		
	Consolidated Investment Program	Locally Invested	Total
Fair value January 1	$345	$5,057	$5,402
Purchases	-	2,436	2,436
Realized gains	9	204	213
Unrealized gains	-	12	12
Transfers out	-	(2,116)	(2,116)
Change in fair value	-	284	284
Sales	(343)	(507)	(850)
Fair value December 31	$11	$5,370	$5,381

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)

	Baycare		CHS		EH/SJHS	
	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

(in 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

(in thousands of dollars)	2011	2010
Revenue bonds		
Catholic Health East Health System Revenue Bonds		
Various Fixed Rate Series issued from 1998 to 2011, coupon rates ranging from 2 25% to 7 375%, 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 0 70%, 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
	1,363,123	1,571,912
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	-	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		
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)
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)
	$1,627,438

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 ıssuance As part of thıs transactıon, the System recorded a gaın on extınguıshment totalıng $7,800,000

In 2010, CHE ıssued $287,600,000 of Serıes 2010 Hospıtal Revenue Bonds through fınancıng authorıtıes ın Florıda, Connecticut, Georgıa, Massachusetts, North Carolına, and Pennsylvanıa The bonds were ıssued as fıxed rate bonds wıth ınterest rates rangıng from 2 0% to 5 0% The proceeds of thıs ıssue were used to advance refund and redeem and to pay the costs of ıssuance of certaın outstandıng Serıes 1998 and Serıes 1999 Revenue bonds ıssued ın Massachusetts, Connecticut, Pennsylvanıa, New Jersey, North Carolına, Georgıa, and Florıda, and to fınance $50,000,000 ın capıtal projects for St Mary Medıcal Center ın Pennsylvanıa As part of thıs transactıon, the System recorded a loss on extınguıshment totalıng $6,900,000

Certaın CHE constıtuent corporatıons are members of the CHE Oblıgated Group Under the Amended and Restated Master Trust Indenture dated January 1, 1998 and amended and restated as of September 30, 2007, Oblıgated Group members provıde a revenue pledge and are joınt and severally lıable on all oblıgatıons outstandıng under the Master Indenture Addıtıonally, the Oblıgated Group has agreed to comply wıth certaın covenants ıncludıng the repayment of prıncıpal and ınterest, notıfıcatıon regardıng admıssıon or wıthdrawal of members of the Oblıgated Group, to delıver fınancıal statements and other related ınformatıon by specıfıed due dates, to maıntaın ınsurance, and to maıntaın a long-term debt servıce coverage of at least 1 10 to 1 00

Pursuant to loan agreements between CHE and varıous RHCs, promıssory notes have been executed by each RHC ın amounts equal to the amount of proceeds necessary to defease previously exıstıng debt and provıde for capıtal projects

In prıor years, CHE advance refunded certaın of ıts bonds whıch are no longer reflected ın the consolıdated fınancıal statements sınce CHE has legally satısfıed ıts oblıgatıon through defeasance Funds are held ın an ırrevocable escrow wıth a trustee and are expected to be sufficient to satısfy the oblıgatıons

The CHE revolvıng credıt loan facılıty was refinanced ın 2010 The credıt facılıty ıs structured through a consortıum wıth fıve banks and extends through June 9, 2014 The credıt facılıty totals $200,000,000 wıth an optıon to ıncrease the credıt facılıty to $250,000,000 At December 31, 2011 and 2010, approxımately $43,697,000 and $37,933,000, respectıvely, of the total credıt facılıty was oblıgated for standby letters of credıt Addıtıonally, approxımately $106,035,000 and $52,800,000 at December 31, 2011 and 2010, respectıvely, had been borrowed agaınst the total credıt facılıty Borrowıngs under thıs agreement may be repaıd at any tıme and are payable upon termınatıon of the agreement These borrowıngs were used to fınance varıous capıtal projects at several of the RHCs Use of the credıt facılıty for standby letters of credıt ıs lımıted to $100,000,000 of the total credıt facılıty

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

(in thousands of dollars)	2011		2010	
	Balance Sheet Location	**Fair Value**	**Balance Sheet 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 Statement 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		
	Unrestricted	Temporarily Restricted	Permanently 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		
	Unrestricted	Temporarily Restricted	Permanently 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)

	2011		
	Unrestricted	Temporarily Restricted	Permanently Restricted
Endowment fund net assets, beginning of year	$17,517	$67,808	$27,970
Investment return			
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		
	Unrestricted	Temporarily Restricted	Permanently Restricted
Endowment fund net assets, beginning of year	$16,914	$66,648	$26,004
Investment return			
Realized investment income	175	236	817
Unrealized investment income	323	337	441
Net appreciation	-	642	43
Total investment return	498	1,215	1,301
Other changes in endowment funds	105	(55)	665
Endowment fund net assets, end of year	$17,517	$67,808	$27,970

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	-	(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	-	(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	18 8% - 40 0%	22 5%	18 8% - 40 0%	21 7%
Marketable equity securities & managed funds	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	Total	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	Level 3	Total	Valuation Technique
Pension investment program					
Cash and cash equivalents	$34,473	$23,460	$ -	$57,933	Market
Marketable equity securities	443,399	42,108	19	485,526	Market
Marketable debt securities	42,368	79,347	-	121,715	Market
Managed funds	-	-	75,474	75,474	Market
Total pension investment program	$520,240	$144,915	$75,493	$740,648	

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
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 %	7 0 %
Other third-party payors	13 7 %	10 8 %
Commercial	10 4 %	11 7 %
	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)

2012	$55,314
2013	48,506
2014	39,425
2015	34,300
2016	30,675
Thereafter	66,871
	$275,091

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

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

(in 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		
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	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

Catholic Health East
Consolidating Balance Sheet
Year Ended December 31, 2011

(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	Maxis 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	-	-	-	-	-	-
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	-
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

Catholic Health East
Consolidating Balance Sheet
Year Ended December 31, 2011

(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
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)	(4,924)	(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

Catholic Health East
Consolidating Balance Sheet
Year Ended December 31, 2011

(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 Maris	Global Health Ministries	Elim
Assets												
Current assets												
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	-	-	-	-	-	-	-	-	-	-	-	-
Net patient receivables, net of estimated uncollectibles of $320,921	1,316	-	-	-	-	-	-	-	-	-	-	-
Collateral received on securities pledged	-	-	-	-	-	-	-	-	-	-	-	130,364
Other accounts receivable	1,880	-	-	-	-	-	-	8,452	29,924	56,253	-	(76,234)
Prepaid expenses and inventories	406	-	-	-	-	1,268	7	36,654	-	6,749	4	(35,850)
Assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-
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												
Board-designated funds	-	-	-	-	-	4,560	-	-	-	211,186	-	(250,982)
Trustee-held funds	-	-	-	-	-	-	-	-	-	-	-	-
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)
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	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	1,852	36	-	-	1,843	1,825	7	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)

Catholic Health East
Consolidating Statement of Operations
Year Ended December 31, 2011

(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	Maxis 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

Catholic Health East
Consolidating Statement of Operations
Year Ended December 31, 2011

(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

Catholic Health East
Consolidating Statement of Operations
Year Ended December 31, 2011

(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 Maris	Global Health Ministries	Elim
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	Maxis 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	($17,943)	$9,493	$345,464	($5,076)	($6)	$125,414	$38,119	($8,521)	$1,839
Change in unrealized (losses) gains on available-for-sale securities	-	-	-	-	-	(3,657)	-	-	-
Decrease in pension liability adjustment - consolidated organizaitons	-	(5,190)	6,792	-	(2,292)	(53,870)	(9,687)	(3,017)	(7,296)
Decrease in pension liability adjustment - unconsolidated organizaitons	-	-	-	-	-	-	-	-	-
Net assets released from restrictions for capital expenditures	458	664	18,945	17	-	582	8,061	-	-
Other changes	604	-	5,530	352	(330)	(237)	(996)	-	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	531	766	4,775	62	(3)	1,363	121	446	(823)
Investment income (loss)	15	64	162	-	-	4	-	366	-
Change in unrealized (losses) on investments	(6)	(58)	(107)	-	-	-	-	(51)	-
Net assets released from restrictions	(623)	(866)	(20,369)	(41)	-	(872)	(6,287)	175	-
Temporarily restricted contribution income - St Peter's Health Partners	-	-	33,202	-	-	-	-	-	-
Other changes	-	(68)	20	-	-	-	(5)	(1,289)	-
Increase (decrease) in temporarily restricted net assets	(83)	(162)	17,683	21	(3)	495	(6,171)	(353)	(823)
Permanently restricited net assets									
Contributions	2	-	67	-	-	-	-	-	-
Net realized and unrealized gains on investments	(12)	(87)	(290)	-	-	-	-	-	-
Permanently restricted contribution income - St Peter's Health Partners	-	-	18,670	-	-	-	-	-	-
Other changes	-	-	(15)	-	-	(169)	-	-	-
Increase (decrease) in permanently restricted net assets	(10)	(87)	18,432	-	-	(169)	-	-	-
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

(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
Unrestricted net assets									
Excess (deficit) of revenue over expenses	$1,259	($366)	($18,613)	$9,695	($42,637)	$387	$3,281	($446)	$527
Change in unrealized (losses) gains on available-for-sale securities	-	-	-	-	-	-	-	-	-
Decrease in pension liability adjustment - consolidated organizaitons	(5,800)	(6,106)	-	(26,601)	(12,032)	-	(7,571)	-	-
Decrease in pension liability adjustment - unconsolidated organizaitons	-	-	-	-	-	-	-	-	-
Net assets released from restrictions for capital expenditures	624	690	-	843	230	194	-	110	-
Other changes	(975)	5	6,939	(1,793)	5,121	(599)	-	-	-
Increase (decrease) in unrestricted net assets before discontinued operations	(4,892)	(5,777)	(11,674)	(17,856)	(49,318)	(18)	(4,290)	(336)	527
Loss from discontinued operations	(2,102)	-	-	(3,241)	-	(16,567)	-	(291)	-
Increase (decrease) in unrestricted net assets	(6,994)	(5,777)	(11,674)	(21,097)	(49,318)	(16,585)	(4,290)	(627)	527
Temporarily restricited net assets									
Contributions	664	65	-	11,237	1,653	(590)	-	183	273
Investment income (loss)	-	6	-	302	(19)	-	1	-	31
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	-	-	-	-	-	-	-	-	-
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 restricited net assets									
Contributions	-	6	-	-	-	-	-	-	-
Net realized and unrealized gains on investments	-	5	-	-	-	-	-	-	-
Permanently restricted contribution income - St Peter's Health Partners	-	-	-	-	-	-	-	-	-
Other changes	-	(6)	-	-	-	-	-	-	-
Increase (decrease) in permanently restricted net assets	-	5	-	-	-	-	-	-	-
Increase (decrease) in inet assets	(7,428)	(5,902)	(15,171)	(15,010)	(53,907)	(17,175)	(4,503)	(728)	750
Beginning of year	(32,516)	2,266	(47,436)	159,461	442,270	(1,345)	106,711	(3,197)	(22,609)
End of year	($39,944)	($3,636)	($62,607)	$144,451	$388,363	($18,520)	$102,208	($3,925)	($21,859)

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 Maris	Global Health Ministries	ELIM
Unrestricted net assets											
Excess (deficit) of revenue over expenses	($996)	($68)	$8,747	$74,611	$948	($8,994)	$11,059	($1,167)	$12,508	$121	$ -
Change in unrealized (losses) gains on available-for-sale securities	-	-	-	19	-	-	-	-	-	-	-
Decrease in pension liability adjustment - consolidated organizaitons	-	(1,015)	-	-	-	-	(9,317)	-	-	-	-
Decrease in pension liability adjustment - unconsolidated organizaitons	-	-	(22,233)	(8,252)	-	-	-	-	-	-	-
Net assets released from restrictions for capital expenditures	304	-	3,620	136	-	-	-	-	-	-	-
Other changes	(5)	-	(2,089)	(406)	(936)	-	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	25	-	302	1,087	2,962	-	-	-	-	(759)	-
Investment income (loss)	2	-	205	(465)	-	-	-	-	-	8	1
Change in unrealized (losses) on investments	-	-	-	-	(111)	-	-	-	-	-	-
Net assets released from restrictions	(166)	-	(516)	(619)	(1,916)	-	-	-	-	-	-
Temporarily restricted contribution income - St Peter's Health Partners	-	-	-	-	-	-	-	-	-	-	-
Other changes	(1)	-	184	1	726	-	-	-	-	-	-
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	1	-	-	553	(23)	-	-	-	-	-	-
Permanently restricted contribution income - St Peter's Health Partners	-	-	-	-	-	-	-	-	-	-	-
Other changes	(30)	-	-	-	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	268	(1,021)	24,523	1,071,455	20,425	124,708	(31,713)	(791)	64,964	1,852	(3)
End of year	($598)	($2,104)	$12,914	$1,138,120	$22,139	$115,714	($28,663)	($2,159)	$77,471	$1,221	$ -

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

(in 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	-	177
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)

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

(in 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

(in 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.
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)	730	59	-	(10)
Investment income	64	4	47	4	-	9
Change in unrealized losses on investments	(58)	(4)	(40)	(4)	-	(10)
Net assets released from restrictions	(866)	(75)	(729)	(44)	-	(18)
Other changes	(68)	-	(68)	-	-	-
(Decrease) increase in temporarily restricted net assets	(162)	(88)	(60)	15	-	(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

(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	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	-
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	669,061	375,636	219,483	76,279	336	(2,673)
Net assets						
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

(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	St. Peter's Health Partners 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)	1	-	-
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
Assets						
Current assets						
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	5,799	-	-	5,799	-	-
Other accounts receivable	977	-	-	977	-	-
Prepaid expenses and inventories	1,924	-	-	1,825	92	7
Assets held for sale	27	-	-	27	-	-
Total current assets	14,108	-	-	13,177	656	275
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	13,619	(13,610)	13,390	11,478	775	1,586
Total liabilities and net assets	$41,781	($14,068)	$13,390	$39,269	$1,542	$1,648

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

(in 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					
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

(in thousands of dollars)	Maxis Health System	Maxis Hlth 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	-	-	-	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	-	-	-
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	-	-	-
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	0	(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 Hlth 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	($6)	$ -	($76)	$ -	$70	$ -
Decrease in pension liability adjustment	(2,292)	-	(2,292)	-	0	-
Other changes	(330)	-	(305)	-	(25)	-
(Decrease) increase in unrestricted net assets before discontinued operations	(2,628)	-	(2,673)	-	45	-
Loss from discontinued operations	(12,618)	-	(12,643)	-	-	25
(Decrease) increase in unrestricted net assets	(15,246)	-	(15,316)	-	45	25
Temporarily restricited net assets						
Contributions	(3)	(41)	38	-	-	-
(Decrease) increase in temporarily restricted net assets	(3)	(41)	38	-	-	-
(Decrease) increase in net assets	(15,249)	(41)	(15,278)	-	45	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	-	4,161	-	27	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	(16,713)	(3,538)	11,129	3,764	344	975	801
Total current liabilities	153,041	22,388	13,071	11,575	21,474	367	1,521	5,837
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	(11,109)	11,263	1,226	(45,951)	5,894
Temporarily restricted	3,328	1,395	196	-	-	1,179	21	2
Permanently restricted	3,968	2,477	-	-	-	-	-	1,491
Total net assets	187,275	(71,857)	8,162	(11,109)	11,263	2,405	(45,930)	7,387
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

(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
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	-	-
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	-	-	-	-	-	-	535	-	-
Permanently restricted	-	-	-	-	-	-	-	-	-
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

(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 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

(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 Home 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 securities	(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 securities	(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	-	-	-	-	-
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

(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 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	-	341	-	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	35,240	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	8,548	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									
Unrestricted	4,510	-	(1,244)	-	112,310	(71,696)	1,083	(35)	(35,908)
Temporarily restricted	3,594	(716)	1	-	3,335	313	663	(4)	2
Permanently restricted	265	-	-	-	255	0	10	-	-
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

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

(in 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

(in 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)	$3,355	$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	(1,748)	-	(1,355)	(393)	-	-	-	-
(Decrease) increase in unrestricted net assets	(13,286)	2	(1,363)	699	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	-	-	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					
Unrestricted	100,048	20,361	73,572	27,938	(21,620)
Temporarily restricted	8,260	3,766	-	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

(in 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	$35,839	$ -	$ -	$35,839	$ -
Other operating revenue, gains and other support	55,438	358	1,688	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

(in 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

(in 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	-	-
Total net assets	(39,944)	(39,517)	298	(702)	(23)
Total liabilities and net assets	$78,766	$73,043	$687	$4,890	$146

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 sale 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)	-	-	-
(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

(in 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)	713	(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	-	-	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)

St. Francis Medical Center
Consolidating Statement of Operations
December 31, 2011

(in 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	-	-	-
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	LIFE 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

(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	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	6,517	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	87	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	4,607	-	-	-	-	-
Total liabilities	405,555	394,140	4,672	13,229	-	(7,424)	796	142
Net assets								
Unrestricted	(63,764)	(80,133)	5,140	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

(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 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						
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)

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	22,597	43	-	78	704	21,772
Liabilities related to assets held for sale	18,850	-	-	-	-	18,850
Total current liabilities	82,278	39	-	87	997	81,155
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	-	-	-	-	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

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
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

(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
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

(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
Assets								
Current assets								
Cash and cash equivalents	$9,654	$71,691	$88	$3,952	$4,158	$127	$ -	$838
Investments	3,823	-	-	-	3,823	-	-	-
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	-	-	-	-	-
Total liabilities	63,225	213,410	1,047	7,449	1,306	184	16	8,019
Net assets								
Unrestricted	369,307	111,995	3,595	164,396	50,961	945	1,192	(402)
Temporarily restricted	15,152	4,768	36	10	18,658	-	-	-
Permanently restricted	3,904	-	-	-	535	-	-	-
Total net assets	388,363	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

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

(in thousands of dollars)	Mercy Care Svcs, Inc	Mercy Senior Care, Inc	Saint Joseph's Transl 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
Assets									
Current assets									
Cash and cash equivalents	$497	$121	($2)	($404)	$ -	$81,066	$ -	($71,412)	$ -
Investments	-	-	-	-	-	3,823	-	-	-
Marketable securities whose use is limited	-	-	-	-	-	0	-	-	-
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	-	-	19,168	5,639	31	211,756	-	(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)	47,379
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								
Net patient service revenue	$12,714	$ -	$11,881	$ -	$ -	$ -	$ -	$ -
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	-
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 Transl 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	-	-	-	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

(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 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)	1,067	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 Transl 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)	-
(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	-	-
Total current liabilities	42,928	37,962	43	453	4,456	14
Other liabilities	984	984	-	-	-	-
Insurance liabilities, net of current portion	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	-	1,987	-	-	-
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	Sister Emmanuel Hospital	Mercy Medical Development, Inc	Eliminations
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)	-
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	-
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	-	-
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	3,218	3,218	-	-	-	-	-	-
Total current liabilities	31,466	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								
Unrestricted	101,552	111,928	5,099	6,198	(6,197)	912	(10,218)	(6,170)
Temporarily restricted	556	(653)	1,209	-	-	-	-	-
Permanently restricted	100	-	100	-	-	-	-	-
Total net assets	102,208	111,275	6,408	6,198	(6,197)	912	(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

(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
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

(in thousands of dollars)	Mercy Medical, A Corporation	Hospital, OP	Home Care	Residental	Mercy Life of 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	-	-	-	-
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

(in thousands of dollars)	Mercy Medical, A Corporation	Hospital, OP	Skilled Nursing	Home Care	Residental	Mercy Life of 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

(in thousands of dollars)	Mercy Medical, A Corporation	Hospital, OP	Skilled Nursing	Home Care	Residental	Mercy Life of Alabama	Other
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

(in 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

(in 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

(in 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	$527	$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

(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
Assets										
Current assets										
Cash and cash equivalents	$1,824	$98	$12	$1,556	$10	$ -	$83	$65	$ -	$ -
Patient accounts receivable, net of estimated uncollectibles of $262	1,316	45	23	11	4	3	30	1,026	174	-
Other accounts receivable	1,880	1,510	(8)	254	(12)	-	52	(58)	-	142
Prepaid expenses and inventories	406	54	15	218	2	8	94	16	(1)	-
Total current assets	5,426	1,707	42	2,039	4	11	259	1,049	173	142
Marketable securities and investments whose use is limited										
Investments	20,636	15,358	1,912	881	492	-	1,993	-	-	-
Total marketable securities and investments whose use is limited	20,636	15,358	1,912	881	492	-	1,993	-	-	-
Property and equipment, net	69,017	38,488	12,073	2,166	2,971	1,171	2,607	9,457	23	61
Investments in unconsolidated organizations	50	-	-	50	-	-	-	-	-	-
Other assets	1,852	472	22	978	114	-	-	266	-	-
Total assets	$96,981	$56,025	$14,049	$6,114	$3,581	$1,182	$4,859	$10,772	$196	$203
Liabilities and Net Assets										
Current liabilities										
Current portion of long-term debt and capital obligations	$1,235	$161	$264	$89	$382	$ -	$ -	$339	$ -	$ -
Portion of variable rate demand obligations classified as current	8,792	8,792	-	-	-	-	-	-	-	-
Accounts payable and accrued expenses	2,552	984	172	869	(20)	10	364	118	48	7
Other	370	10	4	18	3	-	2	52	85	196
Total current liabilities	12,949	9,947	440	976	365	10	366	509	133	203
Long-term debt, net	47,289	22,036	6,147	2,095	9,010	-	-	8,001	-	-
Other liabilities	8,600	6,270	1,024	(9,591)	(3,535)	1,238	7,673	5,432	17	72
Pension liabilities	77	-	-	77	-	-	-	-	-	-
Insurance liabilities, net of current portion	246	19	5	156	2	-	-	64	-	-
Deferred revenue from entrance fees	28,418	22,265	6,153	-	-	-	-	-	-	-
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	-	-	-	-	-	-
Total net assets	(598)	(4,512)	280	12,401	(2,261)	(66)	(3,180)	(3,234)	46	(72)
Total liabilities and net assets	$96,981	$56,025	$14,049	$6,114	$3,581	$1,182	$4,859	$10,772	$196	$203

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

(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	St Joseph of the Pines 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)	-	-	-	-	-	-	-
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

(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
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 restricted 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)	-	-
Permanently restricted 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)**

Additional Data

Software ID:
Software Version:
EIN: 58-0566223
Name: St Mary's Health Care System Inc

Form 990, Special Condition Description:

Special Condition Description

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(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
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Chin Jean MD Director	1 00	X						0	0	0
Salamone Father Robert Director	1 00	X						0	0	0
Bennett Rodney Director	1 00	X						0	0	0
Burgess Tim Director	1 00	X						0	0	0
McKenna Don President/CEO	40 00	X		X				0	579,796	33,621
Griffin Dawn Director	1 00	X						0	0	0
Hubrich Leon Director	1 00	X						0	0	0
Perno Louis A Director	1 00	X						0	0	0
Upchurch Charles L Director	1 00	X						0	0	0
Snipes Bobby Director	1 00	X						0	0	0
Cline Ruth M MD Director	1 00	X						0	0	0
Wilbanks Kathy Director	1 00	X						0	0	0
Hollingworth III Thomas F Director	1 00	X						0	0	0
Hooker Robbie P Director	1 00	X						0	0	0
Priest Neal MD Chief of Staff	1 00	X						0	0	0
Hutson Martin Vice President & CFO	40 00			X				250,759	0	24,518
Dugger Brenda VP Compliance, Qu, & HH	40 00			X				208,549	0	13,566
Evans Nina VP Nursing	40 00			X				240,545	0	9,916
Carter Montez VP of Operations	40 00			X				187,679	0	28,001
English Jeffrey VP Human Resourses	40 00			X				201,294	0	16,896
Schuller Karen VP & General Counsel	40 00			X				245,081	0	9,929
Middendorf Bruce Chief Medical Officer	40 00			X				110,562	0	10,003
Loome Sister Patricia VP of Mission Services	40 00			X				132,714	0	7,288
Vaughn Kerry Chief Info Office	40 00			X				0	142,002	31,695
Camp Steven Pharmacist	40 00					X		192,157	0	18,079

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(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
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Wright Gary Director of Pharmacy	40 00					X		167,077	0	11,954
Griffiths Catherine Nursing Supervisor	40 00					X		144,876	0	11,561
Shutt Robert RN	40 00					X		130,993	0	17,979
Dixon-Martin Kelly Physician	40 00					X		184,395	0	11,429