

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

CONSOLIDATING STATEMENT OF OPERATIONS (Dollars in Thousands)

	SIX MONTHS ENDED JUNE 30, 2014				SIX MONTHS ENDED JUNE 30, 2013			
	Palos Community Hospital	St. George Corporation	Eliminations	Obligated Group	Palos Community Hospital	St. George Corporation	Eliminations	Obligated Group
REVENUES								
Net revenue from patient services	\$ 161,148			\$ 161,148	\$ 149,807			\$ 149,807
Other revenue	\$ 3,147	\$ 251		\$ 3,398	\$ 2,924	\$ 323	\$ (34)	\$ 3,212
Investment income	\$ 17,900	\$ 27,764		\$ 45,664	\$ 11,332	\$ 17,728		\$ 29,060
Total revenue	<u>\$ 182,196</u>	<u>\$ 28,014</u>	<u>\$ -</u>	<u>\$ 210,210</u>	<u>\$ 164,063</u>	<u>\$ 18,050</u>	<u>\$ (34)</u>	<u>\$ 182,079</u>
EXPENSES								
Salaries and employee benefits	\$ 96,060	\$ 2		\$ 96,062	\$ 105,221	\$ 3		\$ 105,223
Supplies and other	\$ 40,852	\$ 438		\$ 41,290	\$ 37,627	\$ 213	\$ (34)	\$ 37,806
Physicians' fees	\$ 1,767	\$ 120		\$ 1,888	\$ 1,134			\$ 1,134
Interest and financing costs	\$ 6,897			\$ 6,897	\$ 5,169			\$ 5,169
Depreciation and amortization	\$ 11,008	\$ 87		\$ 11,095	\$ 9,215	\$ 87		\$ 9,303
Insurance	\$ 1,957			\$ 1,957	\$ 1,951			\$ 1,951
Illinois Provider Assessment Program expense	\$ 5,650			\$ 5,650	\$ 3,954			\$ 3,954
Utilities	\$ 2,039	\$ 39		\$ 2,078	\$ 1,822	\$ 38		\$ 1,860
Total expenses	<u>\$ 166,230</u>	<u>\$ 687</u>	<u>\$ -</u>	<u>\$ 166,916</u>	<u>\$ 166,093</u>	<u>\$ 342</u>	<u>\$ (34)</u>	<u>\$ 166,400</u>
OPERATING INCOME	<u>\$ 15,966</u>	<u>\$ 27,327</u>	<u>\$ -</u>	<u>\$ 43,293</u>	<u>\$ (2,030)</u>	<u>\$ 17,709</u>	<u>\$ -</u>	<u>\$ 15,679</u>
NON-OPERATING INCOME:								
Unrestricted contributions	\$ 349			\$ 349	\$ 349			\$ 349
Total non-operating income	<u>\$ 349</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 349</u>	<u>\$ 349</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 349</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 16,315</u>	<u>\$ 27,327</u>	<u>\$ -</u>	<u>\$ 43,643</u>	<u>\$ (1,681)</u>	<u>\$ 17,709</u>	<u>\$ -</u>	<u>\$ 16,028</u>
UNREALIZED GAIN/LOSS	<u>\$ (1,049)</u>	<u>\$ (1,421)</u>		<u>\$ (2,470)</u>	<u>\$ 4,741</u>	<u>\$ 7,481</u>		<u>\$ 12,223</u>

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

CONSOLIDATING BALANCE SHEET (Dollars in Thousands)

	AS OF JUNE 30, 2014				AS OF JUNE 30, 2013			
	Palos		Eliminations	Obligated Group	Palos		Eliminations	Obligated Group
	Community Hospital	St. George Corporation			Community Hospital	St. George Corporation		
ASSETS								
CURRENT ASSETS								
Cash and equivalents	\$ 15,559	\$ 1,007		\$ 16,566	\$ 13,985	\$ 2,178		\$ 16,163
Investments	\$ 26,393	\$ 35,932		\$ 62,325	\$ 19,761	\$ 47,005		\$ 66,766
Accounts receivable less allowances	\$ 38,053			\$ 38,053	\$ 29,610			\$ 29,610
Current portion of assets limited as to use	\$ 2,000			\$ 2,000	\$ 2,000			\$ 2,000
Inventories, at cost	\$ 1,943			\$ 1,943	\$ 1,775			\$ 1,775
Collateral Received for Securities Loaned	\$ 33,340	\$ 52,146		\$ 85,486	\$ 32,700	\$ 51,000		\$ 83,700
Other current assets	\$ 3,657	\$ 3		\$ 3,660	\$ 3,786	\$ 3		\$ 3,789
Total current assets	\$ 120,944	\$ 89,089	\$ -	\$ 210,033	\$ 103,617	\$ 100,186	\$ -	\$ 203,803
ASSETS LIMITED AS TO USE:								
Investments internally designated for capital purposes	\$ 294,613	\$ 528,570		\$ 823,183	\$ 254,474	\$ 449,402		\$ 703,877
Self-Insurance trust investments	\$ 41,325			\$ 41,325	\$ 34,857			\$ 34,857
Total assets limited as to use	\$ 335,938	\$ 528,570	\$ -	\$ 864,509	\$ 289,331	\$ 449,402	\$ -	\$ 738,733
PROPERTY AND EQUIPMENT - At Cost								
Land and land improvements	\$ 14,277	\$ 1,121		\$ 15,398	\$ 14,212	\$ 1,121		\$ 15,333
Building	\$ 395,230	\$ 4,263		\$ 399,493	\$ 388,377	\$ 4,263		\$ 392,640
Equipment	\$ 155,487			\$ 155,487	\$ 190,515			\$ 190,515
Construction in progress	\$ 54,449			\$ 54,449	\$ 11,729			\$ 11,729
Less accumulated depreciation	\$ (208,765)	\$ (1,273)		\$ (210,039)	\$ (237,528)	\$ (1,099)		\$ (238,626)
Total property and equipment	\$ 410,678	\$ 4,111	\$ -	\$ 414,789	\$ 367,305	\$ 4,286	\$ -	\$ 371,591
OTHER ASSETS	\$ 15,022	\$ 6,113	\$ (701)	\$ 20,434	\$ 13,092	\$ 7,343	\$ 110	\$ 20,545
TOTAL ASSETS	\$ 882,583	\$ 627,883	\$ (701)	\$ 1,509,765	\$ 773,346	\$ 561,216	\$ 110	\$ 1,334,673
LIABILITIES AND NET ASSETS								
CURRENT LIABILITIES:								
Accounts payable	\$ 7,229	\$ 11		\$ 7,241	\$ 3,681			\$ 3,681
Accrued liabilities and other	\$ 37,794	\$ 691		\$ 38,485	\$ 35,345	\$ 653		\$ 35,998
Obligation for Collateral Received for Securities Loaned	\$ 33,340	\$ 52,146		\$ 85,486	\$ 32,700	\$ 51,000		\$ 83,700
Due to third-party payors	\$ 40,111			\$ 40,111	\$ 38,220			\$ 38,220
Current portion of professional liability	\$ 2,000			\$ 2,000	\$ 2,000			\$ 2,000
Total current liabilities	\$ 120,475	\$ 52,848	\$ -	\$ 173,323	\$ 111,946	\$ 51,653	\$ -	\$ 163,599
LONG TERM LIABILITIES:								
Professional liability less current portion	\$ 36,040			\$ 36,040	\$ 36,469			\$ 36,469
Long-term debt	\$ 374,221			\$ 374,221	\$ 322,517			\$ 322,517
Other long-term liabilities	\$ 5,170	\$ 654	\$ (701)	\$ 5,123	\$ 8,022	\$ 895	\$ 110	\$ 9,027
Total long term liabilities	\$ 415,431	\$ 654	\$ (701)	\$ 415,384	\$ 367,008	\$ 895	\$ 110	\$ 368,013
TOTAL LIABILITIES	\$ 535,906	\$ 53,503	\$ (701)	\$ 588,707	\$ 478,954	\$ 52,548	\$ 110	\$ 531,612
UNRESTRICTED NET ASSETS	\$ 346,677	\$ 574,381		\$ 921,058	\$ 294,392	\$ 508,669		\$ 803,061
TOTAL	\$ 882,583	\$ 627,883	\$ (701)	\$ 1,509,765	\$ 773,346	\$ 561,216	\$ 110	\$ 1,334,673