

SISTERS OF CHARITY OF LEAVENWORTH HEALTH SYSTEM
SCLHS and Affiliates
Balance Sheet
June 30, 2009 (unaudited)
(in Millions)

	June 30, 2009	December 31, 2008
Current Assets:		
Cash and Cash Equivalents	\$48.9	\$67.2
Securities Lending Agreements	57.5	87.2
Due from Broker	7.9	130.0
Current Portion of Investments	433.6	395.0
Accounts Receivable		
Patient	241.2	242.6
Pledges and Other	28.1	49.4
Inventory	34.2	34.9
Prepays and Other Assets	32.5	20.8
Total Current Assets	883.9	1,027.1
Investments:		
Investments, net of current portion	788.0	931.9
Less securities on loan	(55.7)	(85.5)
Total Investments	732.3	846.4
Assets Limited as to Use:		
Self-Insured Risk Funds	89.4	83.7
Trustee Held Funds	8.7	7.9
Total Assets Limited as to Use	98.1	91.6
Securities on loan	55.7	85.5
Land, Building & Equipment, net	1,424.9	1,317.3
Other Assets:		
Investments in Joint Ventures	83.1	79.1
Notes Receivable	86.3	85.6
Pledges Receivable, net	36.0	63.3
Other Assets	65.4	20.0
Total Other Assets	270.8	248.0
TOTAL ASSETS	\$3,465.7	\$3,615.9

	June 30, 2009	December 31, 2008
Current Liabilities:		
Current Maturities of Long-Term Debt	\$406.3	\$392.7
Accrued Interest Payable	2.4	2.3
Due to Broker	32.8	182.9
Securities Lending Agreement Payable	57.5	88.8
Accounts Payable	100.2	105.7
Accrued Salaries, Wages and Benefits	71.0	64.9
Other Accrued Liabilities	43.4	69.1
Total Current Liabilities	713.6	906.4
Other Noncurrent Liabilities:		
Reserve for Self-insured Risks	73.2	70.5
Other Liabilities	51.0	61.4
	124.2	131.9
Capital Structure:		
Bonds Payable	657.0	656.9
Capital Lease Obligations	66.0	52.0
	723.0	708.9
Less Current Maturities	(406.3)	(392.7)
Total Capital Structure	316.7	316.2
Total Liabilities	1,154.5	1,354.5
Net Assets:		
Unrestricted	2,124.6	2,064.8
Temporarily Restricted	158.6	169.2
Permanently Restricted	28.0	27.4
Total Net Assets	2,311.2	2,261.4
TOTAL LIABILITIES AND NET ASSETS	\$3,465.7	\$3,615.9

SISTERS OF CHARITY OF LEAVENWORTH HEALTH SYSTEM
SCLHS and Affiliates
Statement of Operations
For the Six Months Ended June 30, 2009 (unaudited)
(in Millions)

	June 30, 2009	December 31, 2008
Patient Service		
Operating Revenue:		
Net Patient Service Revenue	\$921.3	\$1,742.4
Other Operating Revenue	32.6	53.7
Net Assets released from Restrictions	13.0	32.1
Gain from Joint Ventures	2.2	2.4
Net Gain from Disposal of Assets	0.1	1.3
Total Operating Revenue	969.2	1,831.9
Operating Expenses:		
Salaries and Wages	372.9	750.1
Employee Benefits	89.4	163.8
Other Operating Expenses	363.4	699.1
Provision for Bad Debt	51.9	87.8
Depreciation and Amortization	59.4	110.7
Total Operating Expenses	937.0	1,811.5
Income from Operations	32.2	20.4
Non-Operating Gain (Losses):		
Income tax expense	(1.8)	(2.3)
Investment Gain (Loss)	12.4	(240.2)
Mission Fund Expenditures	(1.1)	(3.1)
Interest and Amortization	(13.6)	(25.3)
Total Non-Operating Losses	(4.1)	(270.9)
Excess (Deficit) of Revenue Over Expenses	28.1	(250.5)
Other Changes in Unrestricted Net Assets:		
Change In Unrealized Gain (Loss) on Investments	10.6	(15.1)
Noncontrolling Interest in Joint Venture	(1.4)	(2.7)
Contributions From (To) Related Organizations	4.5	(11.3)
Pension-Related Charges Other than Net Periodic Pension Costs	-	(112.3)
Net Assets Released for Capital Acquisitions	18.0	36.1
	31.7	(105.3)
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	\$59.8	(\$355.8)

SISTERS OF CHARITY OF LEAVENWORTH HEALTH SYSTEM
SCLHS and Affiliates
Statement of Changes in Net Assets
For the Six Months Ended June 30, 2009 (unaudited)
(in Millions)

Unrestricted Net Assets:

Excess (Deficit) of Revenue Over Expenses \$28.1
Increase (Decrease) in Unrealized Gain on Interest Rate Swaps 10.6
Noncontrolling Interest in Joint Venture (1.4)
Contributions From (To) Related Organizations 4.5
Pension-Related Charges Other than Net Periodic Pension Costs -
Net Assets Released for Capital Acquisitions 18.0

Increase (Decrease) in Unrestricted Net Assets

Temporarily Restricted Net Assets:

Contributions 19.3
Net Investment Activity 1.0
Net Assets released from Restrictions (30.9)

Increase (Decrease) in Temporarily Restricted Net Assets

Permanently Restricted Net Assets:

Contributions 0.3
Net Investment Activity 0.3

Increase (Decrease) in Permanently Restricted Net Assets

Increase (Decrease) in Net Assets 49.8
Beginning Net Assets 2,261.4
Ending Net Assets

	June 30, 2009	December 31, 2008
Excess (Deficit) of Revenue Over Expenses	\$28.1	(\$250.5)
Increase (Decrease) in Unrealized Gain on Interest Rate Swaps	10.6	(15.1)
Noncontrolling Interest in Joint Venture	(1.4)	(2.7)
Contributions From (To) Related Organizations	4.5	(11.3)
Pension-Related Charges Other than Net Periodic Pension Costs	-	(112.3)
Net Assets Released for Capital Acquisitions	18.0	36.1
Increase (Decrease) in Unrestricted Net Assets	59.8	(355.8)
Temporarily Restricted Net Assets:		
Contributions	19.3	77.9
Net Investment Activity	1.0	(5.7)
Net Assets released from Restrictions	(30.9)	(59.2)
Increase (Decrease) in Temporarily Restricted Net Assets	(10.6)	13.0
Permanently Restricted Net Assets:		
Contributions	0.3	0.8
Net Investment Activity	0.3	(2.1)
Increase (Decrease) in Permanently Restricted Net Assets	0.6	(1.3)
Increase (Decrease) in Net Assets	49.8	(344.1)
Beginning Net Assets	2,261.4	2,605.5
Ending Net Assets	\$2,311.2	\$2,261.4

SISTERS OF CHARITY OF LEAVENWORTH HEALTH SYSTEM
SCLHS and Affiliates
Statement of Cash Flows
For the Six Months Ended June 30, 2009 (unaudited)
(In Millions)

	June 30, 2009	December 31, 2008
Operating Activities:		
Increase (Decrease) in Net Assets	\$49.8	(\$344.1)
Adjustments to Reconcile (Decrease) Increase in Net Assets to Net Cash provided by Operating Activities:		
Depreciation and Amortization	59.7	111.4
Provision for Bad Debts	51.9	87.8
Increase in Accounts Receivable, Net of Allowances	(54.4)	(101.2)
Increase (Decrease) in Unrealized Value of Interest Rate Swaps	(10.6)	15.1
Restricted Contributions	(19.6)	(78.7)
Pension-Related charges Other than Net Periodic Pension Costs	-	112.3
Net Assets Released for Capital Acquisitions	(18.0)	(36.1)
Net Gain from Joint Ventures	(2.2)	(2.4)
Net Gain from Disposal of Assets	(0.1)	(1.3)
(Increase) Decrease in Investments Classified as Trading	(85.4)	244.3
Increase (Decrease) in Other Assets	(4.7)	12.3
Increase (Decrease) in Liabilities	(34.2)	40.5
Net Cash provided by Operating Activities	(67.8)	59.9
Investing Activities:		
Acquisition of Land, Buildings and Equipment	(167.0)	(367.2)
Decrease in Alternative Investments	166.8	138.1
(Increase) Decrease in Investments in Joint Ventures	(1.8)	7.4
Net Cash used for Investing Activities	(2.0)	(221.7)
Financing Activities:		
Restricted Contributions	19.6	78.7
Net Assets Released for Capital Acquisitions	18.0	36.1
Proceeds from Issuance of Long-Term Debt, Net of Original Issue Discount and Financing Costs	14.2	46.2
Payments on Bonds, Notes, and Capital Lease Obligations	(0.3)	(22.3)
Net Cash provided by Financing Activities	51.5	138.7
Net Decrease in Cash and Cash Equivalents	(18.3)	(23.1)
Beginning Cash and Cash Equivalents	67.2	90.3
Ending Cash and Cash Equivalents	\$48.9	\$67.2