

ST. JOSEPH'S/CANDLER HEALTH SYSTEM, INC.

COMBINED STATEMENTS OF OPERATIONS AND
CHANGES IN NET ASSETS

for the years ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Unrestricted revenues, gains and other support:		
Patient service revenue (net of contractual allowances and discounts)	\$ 550,112,684	\$ 508,732,425
Provision for bad debts	(34,682,063)	(7,721,240)
Net patient service revenue	515,430,621	501,011,185
Other revenue	<u>48,714,833</u>	<u>47,532,427</u>
Total unrestricted revenues, gains and other support	<u>564,145,454</u>	<u>548,543,612</u>
Expenses:		
Salaries and wages	201,688,184	202,853,087
Employee benefits	40,971,515	38,271,179
Physician and professional fees	53,877,242	44,529,402
Materials and supplies	154,893,123	154,705,090
Purchased services	32,997,614	32,910,373
Insurance	5,250,112	5,821,518
Interest	5,633,223	5,633,645
Depreciation and amortization	23,867,546	22,999,843
Other	<u>36,628,227</u>	<u>35,362,851</u>
Total expenses	<u>555,806,786</u>	<u>543,086,988</u>
Income from operations	<u>8,338,668</u>	<u>5,456,624</u>
Nonoperating income (loss):		
Investment income	7,481,422	5,206,003
Change in fair value of derivative instruments	220,167	351,227
Net periodic pension cost	(628,535)	(2,043,636)
Nonoperating income, net	<u>7,073,054</u>	<u>3,513,594</u>
Revenues and gains in excess of expenses and losses	15,411,722	8,970,218

Continued

ST. JOSEPH'S/CANDLER HEALTH SYSTEM, INC.

COMBINED STATEMENTS OF OPERATIONS AND
CHANGES IN NET ASSETS, Continued
for the years ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Unrestricted net assets:		
Change in beneficial interest in unrestricted net assets of Foundations, net	\$ 334,015	\$ 701,519
Contributions for property	610,469	723,714
Changes in net unrealized gains and losses on investments other than trading securities	4,707,777	13,009,315
Change in actuarial loss on defined benefit pension plan	(663,026)	5,210,922
Amortization of actuarial loss on defined benefit pension plan	3,358,096	3,804,573
Amortization of prior service cost on defined benefit pension plan	(830,112)	(830,112)
Increase in unrestricted net assets	22,928,941	31,590,149
Temporarily restricted net assets:		
Increase in beneficial interest in temporarily restricted net assets of Foundations, net	<u>1,458,073</u>	<u>686,520</u>
Increase in net assets	24,387,014	32,276,669
Net assets, beginning of year	<u>270,840,003</u>	<u>238,563,334</u>
Net assets, end of year	\$ <u>295,227,017</u>	\$ <u>270,840,003</u>

The accompanying notes are an integral part of these financial statements.