

CONSOLIDATED BALANCE SHEETS (In Thousands)

| | 2018 | 2017 |
|---|--------------------|-------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$56,926 | \$65,127 |
| Short-term investments | 38,637 | 3,388 |
| Patient accounts receivable | 162,335 | 151,791 |
| Due from third-party payors | 46,739 | 27,064 |
| Other receivables | 8,256 | 5,055 |
| Inventories | 25,192 | 23,942 |
| Prepaid expenses | 14,357 | 15,954 |
| Total current assets | 352,442 | 292,321 |
| Assets limited as to use: | | |
| Internally designated investments | 674,952 | 705,511 |
| Restricted cash | 3,886 | 2,758 |
| Externally designated investments – insurance trust | 2,747 | 2,710 |
| Board-designated endowment | 25,002 | 27,316 |
| Endowment and temporarily restricted investments | 7,322 | 7,930 |
| | 713,909 | 746,225 |
| Property and equipment: | | |
| Land | 53,342 | 45,101 |
| Buildings and improvements | 824,120 | 795,115 |
| Furniture and equipment | 500,329 | 490,299 |
| Construction-in-progress | 21,295 | 16,037 |
| | 1,399,086 | 1,346,552 |
| Less allowances for depreciation and amortization | 737,060 | 687,048 |
| | 662,026 | 659,504 |
| Deferred charges and other assets | 57,411 | 38,911 |
| Interest rate swap | – | 625 |
| Total assets | \$1,785,788 | \$1,737,586 |

CONSOLIDATED BALANCE SHEETS (In Thousands)

| | 2018 | 2017 |
|---|--------------------|-------------|
| LIABILITIES AND NET ASSETS | | |
| Current liabilities: | | |
| Accounts payable | \$45,980 | \$47,085 |
| Accrued salaries and benefits | 46,223 | 36,831 |
| Accrued expenses | 5,557 | 4,836 |
| Due to third-party payors | 5,942 | 6,159 |
| Current maturities of long-term debt | 10,724 | 8,745 |
| Total current liabilities | 114,426 | 103,656 |
| Non-current liabilities: | | |
| Long-term debt, less current maturities | 307,012 | 270,680 |
| Pension and other liabilities | 12,635 | 27,111 |
| Interest rate and basis swaps | 14,051 | 16,305 |
| | 333,698 | 314,096 |
| Total liabilities | 448,124 | 417,752 |
| Net assets: | | |
| Without donor restrictions | 1,325,251 | 1,305,777 |
| With donor restrictions | 12,413 | 14,057 |
| Total net assets | \$1,337,664 | \$1,319,834 |
| Total liabilities and net assets | \$1,785,788 | \$1,737,586 |

CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS (In Thousands)

| | 2018 | 2017 |
|---|-------------------|-------------|
| UNRESTRICTED REVENUE, GAINS, AND OTHER SUPPORT | | |
| Patient service revenue | \$ 975,114 | \$ 901,101 |
| Other revenue | 46,776 | 40,439 |
| Net assets released from restrictions used for operations | 1,054 | 1,810 |
| | 1,022,944 | 943,350 |
| EXPENSES | | |
| Salaries and wages | 418,097 | 394,191 |
| Employee benefits | 111,591 | 101,922 |
| Supplies and other | 250,122 | 232,358 |
| Professional fees and purchased services | 117,650 | 117,039 |
| Depreciation and amortization | 58,951 | 59,496 |
| Interest | 7,905 | 7,052 |
| | 964,316 | 912,058 |
| Income from operations | 58,628 | 31,292 |
| NON-OPERATING INCOME (EXPENSES) | | |
| Investment income, net | (21,923) | 82,462 |
| Unrealized gains (loss) on swap transactions, net | 1,628 | 7,099 |
| Loss on bond refunding | — | (534) |
| Pension settlement | (118,087) | — |
| Revenue and gains in excess of expenses | (79,754) | 120,319 |

**CONSOLIDATED STATEMENTS OF OPERATIONS
AND CHANGES IN NET ASSETS, CONT.** (In Thousands)

| | 2018 | 2017 |
|---|--------------------|-------------|
| NET ASSETS WITHOUT DONOR RESTRICTIONS | | |
| Revenue and gains in excess of expenses | \$(79,754) | \$120,319 |
| Net assets released from restrictions used for capital purposes | 1,187 | 2,473 |
| Other | 6 | — |
| Postretirement benefit adjustments other than periodic costs | 98,035 | 9,005 |
| Increase in net assets without donor restrictions | 19,474 | 131,797 |
| NET ASSETS WITH DONOR RESTRICTIONS | | |
| Purpose-restricted contributions | 1,347 | 2,156 |
| Investment income | (744) | 776 |
| Net assets released from restrictions used for operating and capital purposes | (2,247) | (4,283) |
| Increase in net assets with donor restrictions | (1,644) | (1,351) |
| Change in net assets | 17,830 | 130,446 |
| Net assets at beginning of year | 1,319,834 | 1,189,388 |
| Net assets at end of year | \$1,337,664 | \$1,319,834 |