

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

COMBINED STATEMENTS OF OPERATIONS AND  
CHANGES IN NET ASSETS

for the years ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Revenues, gains and other support:		
Net patient service revenue	\$ 595,342,693	\$ 515,430,621
Other revenue	<u>55,992,487</u>	<u>48,714,833</u>
Total revenues, gains and other support	<u>651,335,180</u>	<u>564,145,454</u>
Expenses:		
Salaries and wages	223,124,583	201,688,184
Employee benefits	46,513,758	40,971,515
Physician and professional fees	50,490,115	53,877,242
Materials and supplies	183,564,709	154,893,123
Purchased services	36,509,545	32,997,614
Insurance	9,737,001	5,250,112
Interest	5,936,852	5,633,223
Depreciation and amortization	24,279,158	23,867,546
Other	<u>39,646,596</u>	<u>36,628,227</u>
Total expenses	<u>619,802,317</u>	<u>555,806,786</u>
Income from operations	<u>31,532,863</u>	<u>8,338,668</u>
Nonoperating income (loss):		
Investment income	7,753,413	7,481,422
Unrealized gain on trading securities	7,022,745	-
Recognized gains on transferred securities	18,703,583	-
Change in fair value of derivative instruments	( 173,987)	220,167
Net periodic pension cost	61,393	( 628,535)
Other nonoperating losses	<u>( 784,673)</u>	<u>-</u>
Nonoperating income, net	<u>32,582,474</u>	<u>7,073,054</u>
Revenues and gains in excess of expenses and losses	64,115,337	15,411,722
Net loss attributable to noncontrolling interest in SJ/C Urgent Care	<u>111,874</u>	<u>-</u>
Revenues and gains in excess of expenses and losses after noncontrolling interest	64,227,211	15,411,722

Continued

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

COMBINED STATEMENTS OF OPERATIONS AND  
CHANGES IN NET ASSETS, Continued  
for the years ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Net assets without donor restrictions:		
Changes in beneficial interest in net assets of Foundations	\$ 505,856	\$ 334,015
Contributions for property	772,674	610,469
Changes in net unrealized gains and losses on investments other than trading securities	-	4,707,777
Reclassification of unrealized gains on transferred securities	( 18,703,583)	-
Change in actuarial loss on defined benefit pension plan	( 8,910,082)	( 663,026)
Amortization of actuarial loss on defined benefit pension plan	3,313,050	3,358,096
Amortization of prior service cost on defined benefit pension plan	( 830,112)	( 830,112)
Increase in net assets without donor restrictions	40,375,014	22,928,941
Net assets with donor restrictions:		
Change in beneficial interest in net assets of Foundations, net	( 3,872)	1,458,073
Increase in St. Joseph's/Candler Health System, Inc. net assets	40,371,142	24,387,014
Net assets, beginning of year	<u>295,227,017</u>	<u>270,840,003</u>
Net assets, end of year	\$ <u>335,598,159</u>	\$ <u>295,227,017</u>
Noncontrolling interest in SJ/C Urgent Care:		
Net loss	\$( 111,874)	\$ -
Purchase of noncontrolling interest	4,214,000	-
Contributions from partners	<u>786,181</u>	<u>-</u>
	4,888,307	-
Increase in noncontrolling interest in net assets at beginning of year	<u>-</u>	<u>-</u>
Noncontrolling interest in SJ/C Urgent Care at end of year	\$ <u>4,888,307</u>	\$ <u>-</u>

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