

Southeast Georgia Health System, Inc.
Consolidating Statement of Operations and Changes in Net Assets
Year Ended April 30, 2019
(in thousands)

| | <u>Brunswick Campus (1)</u> | <u>Camden Campus</u> | <u>SGPA</u> | <u>Eliminations</u> | <u>Total Obligated Group</u> | <u>Foundation</u> | <u>QALICB I</u> | <u>Subtotal</u> | <u>Eliminations</u> | <u>Consolidated</u> |
|--|---------------------------------|--------------------------|-------------------|---------------------|--------------------------------------|-------------------|-----------------|------------------|---------------------|---------------------|
| Operating revenues: | | | | | | | | | | |
| Net patient service revenue | \$ 305,877 | \$ 53,186 | \$ 58,395 | \$ (1,071) | \$ 416,387 | \$ - | \$ - | \$ 416,387 | \$ - | \$ 416,387 |
| Other revenues | 5,570 | 512 | 6,769 | (9,503) | 3,348 | 485 | 617 | 4,450 | (976) | 3,474 |
| Total operating revenues | <u>311,447</u> | <u>53,698</u> | <u>65,164</u> | <u>(10,574)</u> | <u>419,735</u> | <u>485</u> | <u>617</u> | <u>420,837</u> | <u>(976)</u> | <u>419,861</u> |
| Operating expenses: | | | | | | | | | | |
| Salaries and wages | 90,049 | 16,323 | 67,753 | - | 174,125 | 217 | - | 174,342 | - | 174,342 |
| Employee benefits | 27,606 | 4,568 | 12,050 | - | 44,224 | 52 | - | 44,276 | - | 44,276 |
| Contract personnel | 9,401 | 1,121 | 1,633 | - | 12,155 | - | - | 12,155 | - | 12,155 |
| Professional fees | 4,808 | - | 305 | - | 5,113 | - | - | 5,113 | - | 5,113 |
| Supplies and drugs | 68,440 | 8,865 | 4,070 | - | 81,375 | 10 | - | 81,385 | - | 81,385 |
| Physician fees | 10,262 | 2,697 | 2,792 | (6,016) | 9,735 | - | - | 9,735 | - | 9,735 |
| Insurance and utilities | 7,104 | 1,590 | 310 | - | 9,004 | 9 | - | 9,013 | - | 9,013 |
| Outside services | 23,843 | 5,551 | 4,027 | (1,071) | 32,350 | 46 | - | 32,396 | - | 32,396 |
| Depreciation and amortization | 16,190 | 2,391 | 561 | - | 19,142 | - | 405 | 19,547 | - | 19,547 |
| Hospital provider fees and assessments | 7,110 | 1,556 | 435 | - | 9,101 | - | - | 9,101 | - | 9,101 |
| Other | 7,930 | 1,276 | 4,781 | (3,487) | 10,500 | 25 | 61 | 10,586 | (976) | 9,610 |
| Interest expense | 3,730 | 960 | 40 | - | 4,730 | - | 90 | 4,820 | - | 4,820 |
| Total operating expenses | <u>276,473</u> | <u>46,898</u> | <u>98,757</u> | <u>(10,574)</u> | <u>411,554</u> | <u>359</u> | <u>556</u> | <u>412,469</u> | <u>(976)</u> | <u>411,493</u> |
| Income (loss) from operations | <u>34,974</u> | <u>6,800</u> | <u>(33,593)</u> | <u>-</u> | <u>8,181</u> | <u>126</u> | <u>61</u> | <u>8,368</u> | <u>-</u> | <u>8,368</u> |
| Non-operating revenues (expenses): | | | | | | | | | | |
| Net investment income | 10,393 | 9 | 24 | - | 10,426 | 715 | - | 11,141 | - | 11,141 |
| Other | 1,371 | - | 13 | - | 1,384 | (698) | - | 686 | - | 686 |
| Total non-operating revenues, net | <u>11,764</u> | <u>9</u> | <u>37</u> | <u>-</u> | <u>11,810</u> | <u>17</u> | <u>-</u> | <u>11,827</u> | <u>-</u> | <u>11,827</u> |
| Excess (deficit) of revenues over (under) expenses | 46,738 | 6,809 | (33,556) | - | 19,991 | 143 | 61 | 20,195 | - | 20,195 |
| Other changes in net assets | 2,892 | - | (131) | - | 2,761 | - | - | 2,761 | - | 2,761 |
| Equity in earnings of affiliates | (26,674) | - | - | 26,878 | 204 | - | - | 204 | (204) | - |
| Equity transfers | - | - | 32,093 | (32,093) | - | - | - | - | - | - |
| Increase (decrease) in net assets | <u>\$ 22,956</u> | <u>\$ 6,809</u> | <u>\$ (1,594)</u> | <u>\$ (5,215)</u> | <u>\$ 22,956</u> | <u>\$ 143</u> | <u>\$ 61</u> | <u>\$ 23,160</u> | <u>\$ (204)</u> | <u>\$ 22,956</u> |

¹ The Senior Care Centers are included in the Brunswick Campus financial information above.

See independent auditors' report.