

THEDACARE, INC.
CONSOLIDATED BALANCE SHEET
(OOO's OMITTED)

	Unaudited March 2018	Prior Month	Monthly Variance	Unaudited December 31, 2017	YTD Variance
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents	\$56,798	\$20,423	\$36,375	\$28,361	\$28,437
Short term investments	394,572	430,932	(36,360)	428,792	(34,220)
Accounts receivable - patient (net)	136,774	134,330	2,444	126,075	10,699
Accounts receivable - other	10,221	7,869	2,352	10,053	168
Inventories	8,079	8,081	(2)	8,086	(7)
Prepaid expenses	8,571	7,429	1,142	4,900	3,671
Total current assets	<u>\$615,015</u>	<u>\$609,064</u>	<u>\$5,951</u>	<u>606,267</u>	<u>8,748</u>
ASSETS WHOSE USE IS LIMITED					
Debt service reserves and debt revenue funds	\$13,915	\$13,965	(\$50)	9,189	4,726
Foundation & endowment funds	57,882	57,882	0	57,882	0
Permanently restricted funds	6,220	6,220	0	6,220	0
Total	<u>\$78,017</u>	<u>\$78,067</u>	<u>(\$50)</u>	<u>73,291</u>	<u>4,726</u>
OTHER ASSETS:					
Equity investments	\$9,958	\$9,858	\$100	9,858	100
Deferred assets	11,064	10,864	200	12,029	(965)
Bond issuance costs - net	2,684	2,704	(20)	2,744	(60)
Hedge Funds	139,543	137,287	2,256	149,181	(9,638)
License fees	4,566	5,546	(980)	4,474	92
Other assets	0	0	0	0	0
Total other assets	<u>\$167,815</u>	<u>\$166,259</u>	<u>\$1,556</u>	<u>178,286</u>	<u>(10,471)</u>
LAND, BUILDINGS AND EQUIPMENT					
Cost Basis	\$1,087,852	\$1,091,051	(\$3,199)	1,086,149	1,703
Accumulated Depreciation	(627,374)	(626,594)	(780)	(618,785)	(8,589)
Total land, buildings and equipment - net	<u>\$460,478</u>	<u>\$464,457</u>	<u>(\$3,979)</u>	<u>467,364</u>	<u>(6,886)</u>
TOTAL ASSETS	<u>\$1,321,325</u>	<u>\$1,317,847</u>	<u>\$3,478</u>	<u>\$1,325,208</u>	<u>(\$3,883)</u>
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES:					
Accounts payable	\$15,259	\$21,152	(\$5,893)	\$18,033	(\$2,774)
Accrued salaries and benefits	56,209	50,486	5,723	44,235	11,974
Accrued other liabilities	8,736	6,686	2,050	9,672	(936)
Deferred gains & revenues	1,969	2,053	(84)	1,984	(15)
Medicare and Medicaid estimated payable	6,441	5,419	1,022	6,578	(137)
Current portion of long-term bonds and notes	9,752	9,832	(80)	10,014	(262)
Bond premium	12,026	12,096	(70)	12,237	(211)
Total current liabilities	<u>\$110,392</u>	<u>\$107,724</u>	<u>\$2,668</u>	<u>102,753</u>	<u>7,639</u>
NONCURRENT LIABILITIES:					
Deferred employee benefit obligations	\$83,565	\$84,445	(\$880)	96,869	(13,304)
Long-term debt, net of current portion - bonds and notes	280,360	280,379	(19)	280,413	(53)
Total noncurrent liabilities	<u>\$363,925</u>	<u>\$364,824</u>	<u>(\$899)</u>	<u>377,282</u>	<u>(13,357)</u>
Total liabilities	<u>\$474,317</u>	<u>\$472,549</u>	<u>\$1,769</u>	<u>480,035</u>	<u>(5,718)</u>
Net Assets					
Unrestricted	\$831,046	\$828,801	\$2,245	829,211	1,835
Temporarily restricted	9,724	10,260	(536)	9,724	0
Permanently restricted	6,238	6,238	0	6,238	0
Total net assets	<u>\$847,008</u>	<u>\$845,299</u>	<u>\$1,709</u>	<u>845,173</u>	<u>1,835</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$1,321,325</u>	<u>\$1,317,847</u>	<u>\$3,478</u>	<u>\$1,325,208</u>	<u>(\$3,883)</u>

THEDACARE, INC.
CONSOLIDATED STATEMENTS OF REVENUES AND EXPENSES
FOR THE PERIODS ENDED MARCH 31, 2018 AND 2017
(OOO'S OMITTED)

	Unaudited 2018	Unaudited 2017	2017 vs. 2016		Monthly Act 2018	Monthly Act 2017	2017 vs. 2016		
			\$ change	% change			\$ change	% change	
REVENUES:									
Inpatient	130,067	118,156	11,911	10.1%	42,033	40,410	1,623	4.0%	
Outpatient	343,893	310,769	33,124	10.7%	119,269	107,904	11,365	10.5%	
Other Patient Revenues	6,115	4,515	1,600	35.4%	2,087	1,526	561	36.8%	
Total Gross Revenues	480,075	433,440	46,635	10.8%	163,389	149,840	13,549	9.0%	
	Contractuals	(248,705)	(209,910)	(38,795)	18.5%	(82,817)	(72,797)	(10,020)	13.8%
	Bad Debt	(4,943)	(5,821)	878	-15.1%	(1,266)	(1,243)	(23)	1.9%
Total Deductions	(253,648)	(215,731)	(37,917)	17.6%	(84,083)	(74,040)	(10,043)	13.6%	
	Contractual % of Gross	51.81%	48.43%	3.38%	7.0%	50.69%	48.58%	2.10%	4.3%
	Bad Debt % of Gross	1.03%	1.34%	-0.31%	-23.3%	0.77%	0.83%	-0.05%	-6.6%
	Total Deduct % of Gross	52.84%	49.77%	3.06%	6.2%	51.46%	49.41%	2.05%	4.1%
Net Patient Revenues	226,427	217,709	8,718	4.0%	79,306	75,800	3,506	4.6%	
Other Operating Revenues	7,230	8,067	(837)	-10.4%	2,902	3,029	(127)	-4.2%	
Total operating revenue	233,657	225,776	7,881	3.5%	82,208	78,829	3,379	4.3%	
EXPENSES:									
Compensation	101,990	97,966	4,024	4.1%	34,872	33,546	1,326	4.0%	
Benefits	28,602	27,068	1,534	5.7%	9,386	8,860	526	5.9%	
Supplies	46,762	43,036	3,726	8.7%	14,773	15,304	(531)	-3.5%	
Purchased Services	38,879	37,785	1,094	2.9%	13,931	12,670	1,261	10.0%	
Interest expense	3,077	3,050	27	0.9%	1,093	1,031	62	6.0%	
Depreciation and amortization	12,699	12,112	587	4.8%	4,353	4,047	306	7.6%	
Total operating expenses	232,009	221,017	10,992	5.0%	78,408	75,458	2,950	3.9%	
INCOME FROM OPERATIONS	1,648	4,759	(3,111)	-65.4%	3,800	3,371	429	12.7%	
Operating Margin	0.71%	2.11%			4.62%	4.28%			
NON-OPERATING REVENUES(EXPENSES):									
Investment income	318	22,311	(21,993)	-98.6%	(1,860)	6,708	(8,568)	-127.7%	
Foundation investment income	0	3,205	(3,205)	-100.0%	0	3,205	(3,205)	-100.0%	
Other/ Impairment write-off	(187)	2	(189)	-9450.0%	(119)	0	(119)	0.0%	
Contributions	56	(505)	561	111.1%	(110)	(130)	20	15.4%	
Total non-operating revenues	187	25,013	(24,826)	-99.3%	(2,089)	9,783	(11,872)	-121.4%	
EXCESS OF REVENUE OVER EXPENSES	1,835	29,772	(27,937)	-93.8%	1,711	13,154	(11,443)	-87.0%	
Distributions and other	0	(154)	154	100.0%	0	(154)	154	100.0%	
Accum other comprehensive income	0	0	0	0.0%	0	0	0	0.0%	
Reclassification of or contributed net assets	0	0	0	0.0%	0	0	0	0.0%	
Net assets released from restrictions for capital	0	0	0	0.0%	0	0	0	0.0%	
INCREASE IN UNRESTRICTED NET ASSETS	1,835	29,618	(27,783)	-93.8%	1,711	13,000	(11,289)	-86.8%	

THEDACARE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED MARCH 31, 2018 AND 2017
(OOO'S OMITTED)

	<u>March 2017</u>	<u>March 2018</u>	<u>MTD 2018</u>
OPERATING ACTIVITIES:			
Increase (decrease) in net assets	\$29,741	\$1,835	\$1,709
Adjustments to reconcile change in total net assets to cash provided by operating and nonoperating activities:			
Restricted contributions	(118)	0	\$536
Depreciation	11,697	13,923	\$4,402
Amortization	414	(1,224)	(\$50)
Loss (gain) on disposal of assets	(2)	187	\$119
Equity in net (profit)/loss of affiliates	0	(5,859)	(\$2,451)
Provision for bad debts	(6,864)	(5,013)	(\$1,837)
Realized (gains) losses on investments	0	0	\$0
Unrealized (gain) loss on investments	(23,869)	6,816	\$7,851
Change in additional minimum pension liability	0	0	\$0
Change in assets and liabilities - net of effects from acquisitions:			
Accounts receivable, net	13,412	(5,854)	(\$2,959)
Inventories	(219)	7	\$2
Prepaid expenses	(1,158)	(3,671)	(\$1,142)
Other assets	(338)	17,343	\$875
Contributed net assets of affiliate	0	0	\$0
Accounts payable	(9,119)	(2,774)	(\$5,894)
Accrued expenses	(11,762)	8,199	\$6,749
Estimated third-party settlements	41	(137)	\$1,022
Deferred gains	12,994	(15)	(\$84)
Deferred employee benefit obligations	(10,499)	(13,304)	(\$880)
Total adjustments	<u>(25,390)</u>	<u>8,624</u>	<u>6,259</u>
Net cash provided by(used by) operating activities	<u>4,351</u>	<u>10,459</u>	<u>7,968</u>
INVESTING ACTIVITIES:			
Purchases of land, building and equipment	(8,088)	(7,224)	(\$542)
(Increase) decrease in Investments	(2,462)	27,404	\$28,509
(Increase) decrease in Foundations/Endowments	(181)	0	\$0
(Inc)/Dec in investments held by bond trustee	5,366	175	\$1,074
(Increase) decrease in board designated funds	0	0	\$0
Net cash (used by) investing activities	<u>(5,365)</u>	<u>20,355</u>	<u>29,041</u>
FINANCING ACTIVITIES:			
Proceeds from long-term debt	0	0	\$0
Principal payments on long-term debt	(2,122)	(2,588)	(\$169)
Cash received through affiliations	0	0	\$0
Residency fee deposits - net	0	0	\$0
Bond issuance costs	223	211	\$70
Restricted contributions	118	0	(\$536)
Net cash provided by(used by) financing activities	<u>(1,781)</u>	<u>(2,377)</u>	<u>(635)</u>
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS			
	(2,795)	28,437	36,374
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>38,364</u>	<u>28,361</u>	<u>20,424</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$35,569</u>	<u>\$56,798</u>	<u>\$56,798</u>