



Marshfield Clinic  
Health System

# Marshfield Clinic Health System

## Continuing Disclosure Quarterly Report

Q3 Calendar Year 2022 — September 30, 2022



# Marshfield Clinic Health System

## CONTINUING DISCLOSURE QUARTERLY REPORT

Q3 Calendar Year 2022 – September 30, 2022

### TABLE OF CONTENTS

- I. INTRODUCTION
- II. GENERAL SYSTEM OVERVIEW
- III. RECENT DEVELOPMENTS
- IV. MANAGEMENT DISCUSSION AND ANALYSIS
- V. UNAUDITED FINANCIAL STATEMENTS
  - a. Consolidated Balance Sheets
  - b. Consolidated Statements of Operations and Changes in Net Assets without Donor Restrictions
  - c. Consolidated Statements of Changes in Net Assets
  - d. Consolidated Statements of Cash Flows
  - e. Consolidating Balance Sheet Information
  - f. Consolidating Statement of Operations and Changes in Net Assets without Donor Restrictions Information

## I. INTRODUCTION

This report for the quarter ending September 30, 2022 (Q3 Calendar Year 2022) (the “*Quarterly Report*”). Marshfield Clinic Health System, Inc., (“*MCHS*”), is providing this filing for the benefit of bonds that are subject to the Master Continuing Disclosure Undertaking dated October 1, 2016, (the “2016 Undertaking”), the Continuing Disclosure Undertaking dated June 30, 2020 (the “2020 Undertaking”) and the Continuing Disclosure Undertaking dated February 10, 2022 (the “2022 Undertaking” and together with the 2016 Undertaking and the 2020 Undertaking the “*Disclosure Agreements*”).

References in this Quarterly Report to the “Master Indenture” refer to the Second Amended and Restated Master Trust Indenture dated as of October 1, 2016 between MCHS, as Obligated Group Agent, and The Bank of New York Mellon Trust Company, N.A., as Master Trustee (the “Master Trustee”), as supplemented and amended from time to time through the date hereof (the “Master Indenture”).

The filing of this Quarterly Report does not constitute or imply any representation (i) that all of the information provided is material to investors, (ii) regarding any other financial, operating or other information about the System (defined below) or the Bonds (defined below), (iii) that no changes, circumstances or events have occurred since the end of the quarter to which this Quarterly Report relates (other than as contained in this Quarterly Report), or any other date specified with respect to any of the information contained in this Quarterly Report, or (iv) that no other information exists, which may have a bearing on the security for the Bonds, or an investor’s decision to buy, sell or hold the Bonds. The information contained in this Quarterly Report has been obtained from sources which are believed to be reliable. No statement in this Quarterly Report should be construed as a prediction or representation about future financial performance of the System (defined below).

Certain statements in this Quarterly Report are not historical facts, but are forecasts and “forward-looking statements.” No assurance can be given that the future results discussed herein will be achieved, and actual results may differ materially from the forecasts described herein. In this respect, the words “estimate,” “forecast,” “project,” “anticipate,” “expect,” “intend,” “believe” and similar expressions are intended to identify forward-looking statements. The forward-looking statements in this Quarterly Report are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by such statements. All estimates, projections, forecasts, assumptions and other forward-looking statements are expressly qualified in their entirety by this cautionary statement. Management has reviewed the prospective financial information and believes that the prospective financial information was prepared on a reasonable basis; however, this prospective information is subjective and should not be relied on as necessarily indicative of future results. The System specifically disclaims any obligation to: (i) include prospective financial information in any future quarterly report, (ii) include information in any future quarterly report with respect to months subsequent to the applicable quarterly period or (iii) update any forward-looking statements to reflect occurrences or unanticipated events or circumstances after the date of this Quarterly Report.

This Quarterly Report is being provided in connection with the outstanding bonds (the “*Bonds*”) identified by CUSIP numbers set out in the following tables. The CUSIP numbers are provided for the convenience of the user. The System (defined below) is not responsible for the accuracy or completeness of such CUSIP numbers.

Additional information with respect to MCHS can be found on the Electronic Municipal Market Access (“*EMMA*”) system, located at <https://emma.msrb.org> using the CUSIPS in the tables below.

## OUTSTANDING BONDS

MATURITY DATE	SERIES 2012 B
February 15, 2040	97710BY63
February 15, 2040	97710BZ54

MATURITY DATE	SERIES 2016A
February 15, 2023	97712DTP1
February 15, 2024	97712DTQ9
February 15, 2025	97712DTR7
February 15, 2026	97712DTS5
February 15, 2027	97712DTT3
February 15, 2028	97712DTU0
February 15, 2029	97712DTV8
February 15, 2030	97712DTW6
February 15, 2031	97712DTX4
February 15, 2032	97712DTY2
February 15, 2033	97712DTZ9
February 15, 2034	97712DUA2
February 15, 2035	97712DUB0
February 15, 2036	97712DUC8
February 15, 2040	97712DUF1
February 15, 2042	97712DUD6
February 15, 2046	97712DUE4

MATURITY DATE	SERIES 2016B
February 15, 2023	97712DUP9
February 15, 2024	97712DUQ7
February 15, 2025	97712DUR5
February 15, 2026	97712DUS3
February 15, 2027	97712DUT1
February 15, 2028	97712DUU8
February 15, 2029	97712DUV6
February 15, 2030	97712DUW4
February 15, 2031	97712DUX2
February 15, 2032	97712DUY0
February 15, 2033	97712DUZ7
February 15, 2034	97712DVA1
February 15, 2035	97712DVB9
February 15, 2036	97712DVC7
February 15, 2037	97712DVD5

MATURITY DATE	SERIES 2017B
February 15, 2050	97712DZG4

MATURITY DATE	SERIES 2017C
February 15, 2023	97712DZN9
February 15, 2024	97712DZP4
February 15, 2025	97712DZQ2
February 15, 2026	97712DZR0
February 15, 2027	97712DZS8
February 15, 2028	97712DZT6

February 15, 2029	97712DZU3
February 15, 2030	97712DZV1
February 15, 2031	97712DZW9
February 15, 2032	97712DZX7
February 15, 2033	97712DZY5
February 15, 2034	97712DZZ2
February 15, 2035	97712DA22
February 15, 2036	97712DA30
February 15, 2037	97712DA48
February 15, 2042	97712DA55
February 15, 2047	97712DA63
February 15, 2050	97712DA71

MATURITY DATE	SERIES 2020A
February 15, 2026	97712D6J0
February 15, 2027	97712D6K7
February 15, 2028	97712D6L5
February 15, 2029	97712D6M3
February 15, 2031	97712D6N1
February 15, 2032	97712D6P6
February 15, 2033	97712D6Q4
February 15, 2034	97712D6R2
February 15, 2035	97712D6S0
February 15, 2036	97712D6T8
February 15, 2037	97712D6U5
February 15, 2038	97712D6V3

MATURITY DATE	SERIES 2020B-1
February 15, 2050	97712D6W1

MATURITY DATE	SERIES 2020B-2
February 15, 2051	97712D6X9

MATURITY DATE	SERIES 2020C
February 15, 2053	97712D6Y7

MATURITY DATE	SERIES 2022A
February 15, 2053	97712JES8

MATURITY DATE	SERIES 2022G
November 1, 2027	57284PAB7 <sup>1</sup>

---

<sup>1</sup> Corporate CUSIP



## II. GENERAL SYSTEM OVERVIEW

MCHS is the parent corporation of a group of corporations and other organizations (collectively, the “System”). The System provides services throughout central, northern and western Wisconsin and a portion of the Upper Peninsula of Michigan.

The System is a patient-focused and clinically-driven, integrated regional healthcare provider. Its mission is to enrich lives to create healthy communities through accessible, affordable, and compassionate healthcare. The System’s vision is to define the future of healthcare through innovation.

The System operates a comprehensive ambulatory care network, including Marshfield Clinic, a multispecialty clinic serving Wisconsin for over 100 years. At the time of the filing, the System also operates eleven acute care facilities and owns and operates Security Health Plan of Wisconsin, Inc. (“SHP”) a health plan providing coverage to over 220,000 members throughout the state of Wisconsin as of September 30, 2022.

MCHS and certain of its affiliates (collectively, the “Obligated Group”) are jointly and severally obligated for the debt pertaining to this Quarterly Report. As of the date of this filing, the Obligated Group comprises the following members: MCHS, Marshfield Clinic, Flambeau Hospital, Inc. (“MMC-Park Falls”), Lakeview Medical Center, Inc. (“MMC-Rice Lake”), Marshfield Clinic Health System Foundation, Inc. (the “MCHS Foundation”), Beaver Dam Community Hospitals, Inc. (“MMC-Beaver Dam”), Memorial Hospital, Inc. Neillsville Wisconsin (“MMC-Neillsville”) and MCHS Hospitals, Inc. (“MCHS Hospitals”). SHP is not a member of the Obligated Group and MCHS does not expect to add it to the Obligated Group. Effective January 1, 2022, Family Health Center (“FHC”) is no longer a member of the Obligated Group. In February 2022, Dickinson County Health System (“MMC-Dickinson”), affiliated with MCHS. MCHS Hospitals is the sole corporate member of MMC-Dickinson but MMC-Dickinson is currently not a part of the Obligated Group. MCHS is authorized to add MMC-Dickinson to the Obligated Group and may do so at a future date.

References to “MCHS” are references only to the parent corporation and should not be read to include any of MCHS’ affiliates and subsidiaries. References to “Marshfield Clinic” are references only to Marshfield Clinic, Inc. and should not be read to include any of Marshfield Clinic’s affiliates or subsidiaries. References to “MMC” are references to Marshfield Medical Center, as further qualified by the campus location.

## III. RECENT DEVELOPMENTS

### Essentia

On October 12, 2022, MCHS and Essentia Health (“Essentia”) announced discussions to evaluate how the two organizations might combine to form an integrated regional health system. The System and Essentia entered into a non-binding memorandum of understanding (the “MOU”), which serves as the first step in the process of discussions that may lead to the execution of a definitive agreement to combine the two organizations. There can be no guarantee that the System and Essentia will reach a definitive agreement to combine the two organizations. If an agreement is reached to combine the two organizations, the terms of

any definitive agreement may vary materially from the terms of the MOU, available on the MSRB EMMA system, found at <https://emma.msrb.org/P21619896-P21247934-P21672524.pdf>.

### \$50 million Taxable Bonds

On October 28, 2022, MCHS issued \$50 million in Taxable Bonds. The proceeds of the Bonds will be used for the purpose of (1) financing the pension liability of MMC-Dickinson, (2) paying off or reimbursing the MCHS for all indebtedness, obligations and liabilities under a legacy Term Loan Agreement and (3) financing any other lawful corporate expenditures; available on the MSRB EMMA system, found at <https://emma.msrb.org/P11628699-P11254898-P11679809.pdf>.

### Major Capital Projects

Marshfield Medical Center-River Region (“MMC-River Region”) began construction of an acute care facility in Wisconsin Rapids, which is expected to be completed in the second quarter of 2023. In July 2021, construction began on a replacement medical campus in Ladysmith, which is expected to be operational in the first quarter of 2023. Phase 2 of the Marshfield Medical Center remodel is underway, which includes a new skywalk to transport patients across the campus and a project to combine urgent care and emergency services which will be completed in the second quarter of 2023. The System has begun construction on the phase 2 of the MMC-Minocqua which is expected to be completed in the second quarter of 2023.

### One System (Cerner Electronic Health Record) Implementation

The System is continuing its implementation of its One System (Cerner Electronic Health Record) (“One System EHR”). Go-live activations are occurring across the System in waves by geographic region. The first wave went live in Q1 2022. As of the date of this filing and as discussed in the Management Discussion and Analysis herein, disruption to operations and productivity as a result of the activations is in line with expectations, but there has been greater disruption to reporting and revenue cycle billing and collections than anticipated and the realization of expected benefits from the One System EHR has been slower to materialize. Management is actively working with Cerner to adjust processes. Adjustments effects also have been made to the timing of the implementation of the waves to mitigate the financial impact while maintaining the System’s mission of enriching the lives of our patients and the communities we serve, to align this strategic initiative with other stewardship efforts and provide more time for the Revenue Cycle to stabilize from the go-lives completed to-date. The MMC-Weston, River Region, Minocqua, and Park Falls went live in Q4 2022 and the System’s largest region, MMC and MMC-Neillsville is expected to go live in Q1 2023. The effect of the implementation on revenues, accounts receivable and statistics are discussed further below.

### Defined Benefit Pension Plans

The System had two defined benefit pension plans related to the acquisition of MMC-Beaver Dam and MMC-Dickinson. The MMC-Dickinson pension plan was terminated as a part of its affiliation with the System in Q1 2022, with final settlement completed in November 2022. The MMC-Beaver Dam pension plan was terminated June 30, 2022 with the final settlement expected to occur in Q1 2023.



## Current Liquidity Considerations

As of the date of this filing, the Obligated Group has drawn fully their available \$160 million lines of credit and is engaged in discussions with its credit banks for additional liquidity support.

## **IV. MANAGEMENT DISCUSSION AND ANALYSIS**

The following discussion presents certain financial information and operating data of the System. The discussion includes information that is attributable to certain subsidiaries and affiliates that are not members of the Obligated Group and are therefore not legally obligated to make any payments with respect to the Bonds covered under this Quarterly Report.

This discussion should be read together with the System's unaudited consolidated financial statements included in Section V of this Quarterly Report, as well as the audited consolidated financial statements of the System as of and for the calendar year ended December 31, 2021 and the 15 months ended December 31, 2020, available on the MSRB EMMA system, found at <https://emma.msrb.org/P21565156-P21209140-P21629921.pdf>.

Certain statements included in this Quarterly Report may constitute forward-looking statements that involve risks and uncertainties. As a result of known and unknown risks, uncertainties and other factors, actual results, performance and achievements may differ significantly from the results, performance and achievements discussed in the forward-looking statements. It is not anticipated that updates or revisions to any forward-looking statements will be made if or when changes occur to the expectations, events, conditions or circumstances on which such forward looking statements were based. The System specifically disclaims any obligation to: (i) include prospective financial information in any future quarterly report, (ii) include information in any future quarterly report with respect to months subsequent to the applicable quarterly period, or (iii) update any forward-looking statements to reflect occurrences or unanticipated events or circumstances after the date of this Quarterly Report.

### **QUARTERLY BANK FINANCIAL INFORMATION AND ONGOING EFFECTS OF PANDEMIC, ONE SYSTEM EHR IMPLEMENTATION CHALLENGES AND ECONOMIC HEADWINDS ON SYSTEM FINANCIAL RESULTS**

The System is required by the terms of certain of its outstanding bank agreements (the "Bank Agreements") to provide quarterly reports demonstrating compliance with certain financial covenants, ratios and other financial and operating data to the banks ("Quarterly Bank Financial Information"). The terms of the System's Disclosure Agreements and Master Indenture do not require such financial covenants, ratios and information to be calculated or reported on a quarterly basis. The System, however, includes the Quarterly Financial Information, presented in this report under the heading "Key Financial Ratios" on a voluntary basis. The financial data presented is calculated at the System level, which data includes financial and operating data that is attributable to certain subsidiaries and affiliates that are not part of the Obligated Group and are therefore not legally obligated to make any payments with respect to the Bonds covered by this Quarterly Report.

For the quarter ended September 30, 2022, as presented under “Key Financial Ratios” and as discussed further under the heading “Analysis of Results of Operations for the Nine Months Ended September 30, 2022,” the System is showing a negative operating margin and losses and rising operating expenses greater than the rise in revenues. The negative financial results of the System are driven by a continuing convergence of factors, including additional costs related to contract labor and inflation pressures on wages and supplies, the effects of the One System EHR implementation that is causing an expected level of productivity disruptions reducing revenues, and additional operational costs to support the activations, and a higher net negative effect due to the pandemic.

## **MODIFICATIONS TO BANK AGREEMENTS**

Among other financial covenants, the Bank Agreements require the Obligated Group to maintain a debt service coverage ratio of 1.2x, based on trailing 12-month financial information, tested quarterly. In anticipation of not achieving 1.2x debt service coverage for the quarters ended June 30, 2022 and September 30, 2022, the Obligated Group and the banks executed amendments to all of the Bank Agreements (the “Bank Agreement Amendments”). Certain of the Bank Amendments provide that compliance with the debt service coverage ratio requirement will not be tested for the quarters ended June 30, 2022 and September 30, 2022. Other Bank Amendments provide that \$97,000,000 will be added back to “Income Available for Debt Service” for purposes of determining compliance with the debt service coverage ratio requirement for such quarters. Under the terms of the Bank Agreement Amendments, the Obligated Group will not be out of compliance with the debt service coverage ratio requirements set forth in any of the Bank Agreements for the quarters ended June 30, 2022 and September 30, 2022. No assurance can be given as to the financial and operating results of MCHS for any future period.

MCHS continues to monitor carefully its ability to comply with its covenant obligations under the Bank Agreements and engage in discussions with its bank lenders. The System and the banks may enter into future modifications of one or more of the Bank Agreements if necessary or desirable to address ongoing financial and operating considerations of the System as it works toward resolution of negative financial results. No assurance can be given as to the financial and operating results of MCHS for any future period.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

## KEY FINANCIAL RATIOS (calculated at the System level)

The following table sets forth key financial ratios of the System.

	For the Nine Months Ended September 30,	
	<u>2022</u>	<u>2021</u>
Operating margin <sup>(1)</sup>	-4.1%	1.5%
Operating EBIDA Margin <sup>(2)</sup>	0.8%	6.8%
Days cash on hand <sup>(3)</sup>	150	199
Debt to capitalization <sup>(4)</sup>	52.5%	45.1%
Maximum annual debt service coverage ratio <sup>(5) (6) (7)</sup>	0.6x	3.2x

<sup>(1)</sup> Operating margin of the System is calculated as fiscal year to date (income (loss) from operations) / (total revenues).

<sup>(2)</sup> Operating EBIDA Margin of the System is calculated as fiscal year to date (income (loss) from operations plus interest plus depreciation and amortization) / (total revenues).

<sup>(3)</sup> Days cash on hand of the System is calculated as (unrestricted cash) / (trailing twelve months operating expenses (excluding depreciation and interest))/365, in accordance with outstanding bank agreements, which calculations use certain defined terms from the Master Indenture. Excluding the remaining \$3.1 million at September 30, 2022 and \$73.9 million at September 30, 2021 in CMS Accelerated and Advance Payment Program included above, days cash on hand was 149 at September 30, 2022 and 189 at September 30, 2021.

<sup>(4)</sup> Debt to capitalization of the System is calculated as (long-term debt) / (long-term debt plus total net assets without donor restrictions), in accordance with outstanding bank agreements, which calculations use certain defined terms from the Master Indenture.

<sup>(5)</sup> Maximum annual debt service coverage ratio of the System is calculated quarterly as (trailing twelve months income available for debt service) / (maximum annual debt service), in accordance with the bank agreements. The calculation methodology is the same under the bank agreements and the Master Indenture except that under the Master Indenture coverage is calculated annually as of the end of each Fiscal Year, not quarterly.

<sup>(6)</sup> Maximum annual debt service coverage ratio of the System does not include any principal payments under NMTC Financing because it is the expectation of all parties to unwind the transaction for a nominal fee at Year 7 (2026/2029). Maximum annual debt service coverage ratio is 0.6x for twelve months ended September 30, 2022 if the full debt service is included.

<sup>(7)</sup> Under the Master Indenture, when calculating Income Available for Debt Service, gains and expenses that are "Extraordinary Items" are excluded. "Extraordinary Items" is defined by the Master Indenture to mean "the after-tax financial impact of significant events, transactions, or activities that are both unusual in nature and infrequent in occurrence. Such extraordinary events, transactions or activities include, but are not limited to, the following: (i) natural disasters (tornado, flood, fire), (ii) affiliation or asset acquisitions activities, including direct expenses incurred related to pre-affiliation or acquisition activities, such as, without limitation, legal fees, consultant fees and due diligence costs, as well as post affiliation or acquisition adjustments and (iii) insurance settlements." For the twelve months ended September 30, 2022, Income Available for Debt Service excluded \$60.5 million in expenses related to acquisitions and COVID-19 expenses, and excluded \$46.3 million in contribution from affiliation and COVID-19 revenue. For the twelve months ended September 30, 2021, Income Available for Debt Service excluded \$54.5 million in expenses related to acquisitions and COVID-19 expenses, and excluded \$71.2 million in COVID-19 revenue.

## STATISTICAL MEASURES OF CLINICAL SERVICES

The following table sets forth statistical measures of clinical services provided by the System. Increase in Average Length of Stay due to increased COVID-19 hospitalizations and delays in discharging patients due to pandemic-related disruptions in other care settings in the community. As discussed above, the One System EHR implementation is causing disruptions in clinical statistical reporting. The figures below for 2022 could be adjusted in future quarters as reporting is stabilized.

	<b>For the Nine Months Ended September 30,</b>	
	<b><u>2022</u></b>	<b><u>2021</u></b>
Patient Encounters <sup>(1)</sup>	2,826,801	2,765,888
Unique Patients <sup>(2)</sup>	402,901	355,886
Beds in Service <sup>(3)</sup>	660	599
Admissions <sup>(3)</sup>	17,606	17,773
Patient Days <sup>(3)</sup>	93,402	81,758
Average Length of Stay <sup>(3)</sup>	5.3	4.6
Surgeries <sup>(3)</sup>		
Inpatient	5,648	5,789
Outpatient <sup>(4)</sup>	37,926	36,858
Radiology Examinations Performed or Interpreted by System Physicians	410,137	371,337
Prescriptions at System's Pharmacies	590,808	552,532
Emergency Department Visits <sup>(3)</sup>	88,293	68,881

(1) An encounter is a single face-to-face visit between a patient and a System physician or other health care provider (such as a psychologist). A patient may have more than one encounter in a day.

(2) A unique patient is a patient who receives care from System resources regardless of location and provider type. Each patient is counted only once no matter how many different departments or location they may have had with appointments. The unique patient calculation is based on a rolling twelve-month time period.

(3) Hospitals included: MMC-Rice Lake, MMC (7/1/17), MMC-Eau Claire (7/23/18), MMC-Ladysmith (9/1/18), MMC-Neillsville (12/1/18), MMC-Beaver Dam (5/1/19), MMC-Minocqua (6/15/20), MMC-Park Falls (8/1/20), MMC-Weston (8/1/20) MMC-Dickinson (2/1/22) and MMC-River Region (5/13/22). Hospitals are included in statistics on their acquisition or opening date.

(4) Outpatient surgeries include the System's Ambulatory Surgery Centers and hospitals.

## ANALYSIS OF RESULTS OF OPERATIONS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

The following analysis compares the nine months ended September 30, 2022 with the nine months ended September 30, 2021. The System generated earnings before interest, depreciation and amortization (EBIDA) of \$18.4 million (+0.8% margin), in comparison to \$145.0 million in the prior year, a decrease of \$126.6 million. The System generated an operating loss of \$92.6 million (-4.1% margin), compared to an operating gain of \$32.0 million in the prior year, a decrease of \$124.6 million.

Operating performance produced negative margins in 2022 and also represents a decline from 2021 due to additional costs related to contract labor and inflation pressures on wages and supplies, the effects of the One System EHR implementation that is causing an unexpected level of productivity disruptions reducing

revenues and additional operational costs to support the activations, and a higher net negative effect due to the pandemic as explained further below. These negative factors were offset by cost efficiency improvements achieved through the System's Driving our Future program as well as management initiatives targeted at improving financial results and revenues related to finalization of prior years' settlements on government programs at both the health plan and in care delivery. Management is focused on implementing various initiatives aimed at improving financial results through increasing volumes, improved revenue cycle, labor management, service rationalization, and reducing costs.

Starting in late July 2021, COVID-19 cases began to rise in the area served by the System, which disrupted the delivery of care through February 2022 and resulted in some delay of non-emergent care, increased supply and labor costs related to care for the higher level of COVID-19 cases and an increase in the System's length of stay. The pandemic has significantly affected the availability of post-acute care services increasing length of stay even as inpatient COVID volumes have declined. The negative effect of the pandemic to the System's care delivery results was \$26.9 million (net of \$4.7 million of relief) in nine months ended September 30, 2022, an increase of \$4.5 million over the negative effect of \$22.4 million (net of \$17.2 million of relief) in the nine months ended September 30, 2021.

The System generated total revenues of \$2.3 billion compared to \$2.1 billion generated in the prior year, an increase of \$153.9 million (+7.2%) due to an increase in net medical services revenue and premium revenue as explained further below.

Net medical services revenue totaled \$1.2 billion, representing an increase of \$79.6 million (+7.1%) primarily due to the addition of MMC-Dickinson and MMC-River Region as well as additional reimbursement related to the finalization of prior years' settlements on government programs at FHC, offset in part by the implementation of One System EHR.

Premium revenue totaled \$981.6 million, representing an increase of \$68.1 million (+7.5%) due primarily to an increase in members and an increase in Medicare Advantage premium per member as well as additional revenue related to the finalization of prior years' settlements related to SHP's risk corridor payments.

Other Operating revenues increased \$11.9 million (+54.1%) primarily due to the addition of MMC-Dickinson to the System.

Total operating expenses were \$2.4 billion, an increase of \$278.5 million (+13.3%). The increase in total expenses was primarily due to higher salaries, contract labor and benefits expense, One System EHR implementation operational activation support costs, and the addition of MMC-Dickinson and MMC-River Region to the System. Further details regarding certain expense categories are noted in the discussion below.

Salaries, contract labor and benefits expense continues to account for the most significant component of the System's total expenses, representing 43.7% and 42.5% of total expenses for the nine months ended September 30, 2022 and 2021, respectively. The System's salaries, contract labor and benefits expenses increased \$146.5 million (+16.5%). The increase is attributable to wage inflation in the labor market, additional employees with MMC-Dickinson and MMC-River Region, an increase in contract labor and

premium pay related to staffing vacancies and additional operational support costs related to the One System EHR implementation. Salaries, contract labor and benefit costs that were capitalized were \$3.6 million compared to \$4.0 million during the same time frame in the prior year.

Consolidated medical claims expense increased \$42.5 million (+9.2%) which is unfavorable to the 7.5% increase in consolidated premium revenue. Prior to intercompany eliminations, SHP's medical claims expense increased \$54.8 million (+6.8%), but improved as a percentage of premium, representing 87.7% of SHP's premium revenue, as compared to 88.3% during the same time frame in the prior year.

Supplies expense increased \$32.3 million (+8.3%) due primarily to the addition of MMC-Dickinson and MMC-River Region, inflation on supply costs, and increases in the cost of pharmaceuticals.

Purchased services expense increased \$40.4 million (+33.6%) due primarily to the addition of MMC-Dickinson and MMC-River Region to the System, along with consulting expenses supporting Revenue Cycle, One System EHR implementation, and Information Services initiatives.

Depreciation and amortization expense decreased by \$1.4 million (-1.7%) due to higher depreciation expense in the prior year related to writing off several assets.

Interest expense decreased by \$0.5 million (-1.6%). This decrease is due to higher capitalized interest and lower interest rates due to refinancing offset in part by the incurrence of additional debt in February 2022 and higher short-term interest rates. Capitalized interest was \$1.5 million compared to \$0.5 million during the same time frame in the prior year.

Other operating expenses increased by \$16.2 million (+22.0%). The increase is primarily due to an increase in software costs that are purchased as a Software-As-A-Service along with the addition of MMC-Dickinson and MMC-River Region.

Inherent contributions from affiliations increased \$9.0 million due to the addition of with MMC-Dickinson to the System in February 2022.

Non-operating (losses) gains, net decreased \$213.9 million (-433.3%), driven primarily by lower market values on the System's investment portfolios through September 30, 2022. Unrealized losses for the nine months ended September 30, 2022 were \$202.5 million compared to unrealized gains of \$15.5 million for the nine months ended September 30, 2021.

The System used \$67.6 million of cash from operations, as compared to \$11.6 million provided by operations during the same time frame in the prior year primarily related to operating losses in the nine months ended September 30, 2022, as described above.

The System purchased \$145.8 million of property, plant and equipment, an increase of \$63.6 million (+77.4%) compared to purchases through the same period of the prior year. The increase is due to hospital construction projects in Ladysmith and Stevens Point as well as renovations on the Marshfield campus and



the capitalized costs to implement the One System EHR.

Liquidity, as measured by total cash, short-term investments, assets whose use is limited and investments, decreased by \$252.5 million (-15.8%) to \$1.3 billion. Accordingly, the System's unrestricted days of cash on hand decreased by 50 days, to 150 days. Excluding the remaining \$3.1 million in CMS Advanced Payment Program ("APP") at September 30, 2022 and \$73.9 million at September 30, 2021, days of cash on hand was 149 days compared to 189, respectively, a decrease of 40 days. The decrease is due to lower cash generated from operations, decrease in market value of investments, increase in average daily expenditures and an increase in capital projects funded by cash. The decrease in market value in the nine months ended September 30, 2022 represents a decline of 20 days. The increase in rolling 12-month average daily expenditures is 11.6% from September 30, 2021 to September 30, 2022, due to cost inflation and overall growth of the organization. This increase in average daily expenditures represents approximately 20 days of cash.

The System has a highly liquid, conservative investment strategy with 64.0% of the portfolio allocated to fixed income investments at September 30, 2022 and 82.2% of its investment portfolio able to be liquidated daily under normal market conditions. At September 30, 2022, the System had \$170 million in lines of credit of which \$125 million is drawn and outstanding. See discussion about ongoing liquidity matters above in "Recent Developments – Current Liquidity Considerations."

Patient receivables increased \$35.3 million (+9.5%) reflecting the addition of MMC-Dickinson and MMC-River Region to the System and revenue cycle challenges related to the One System EHR implementation that has caused delays in billing and collections.

Other receivables increased \$19.3 million (+21.5%) due to the timing of receivables related to Medicare cost report settlements and the addition of MMC-Dickinson and MMC-River Region to the System.

Prepaid expenses and other, which include inventory balances, increased \$10.2 million (+11.5%) due to the addition of MMC-Dickinson and MMC-River Region to the System and increased inventory levels and cost of supplies.

Assets whose use is limited or restricted, current and long term, increased \$13.9 million (+4.6%) due primarily to the funds received by FHC in Q2 2022 related to prior years' government settlements.

Notes receivable from and investments in affiliates increased \$20.1 million (+103.7%) due to the leveraged loan for the NMTC Ladysmith debt incurred in December 2021 and the addition of MMC-Dickinson.

Medical claims payable increased \$13.2 million (+15.4%) due primarily to increased health plan membership and medical services utilization.

Accrued expenses increased \$39.9 million (+31.7%) mostly driven by the addition of MMC-Dickinson to the System in February 2022, reclassification of certain balances from Accounts Payable in 2022 and timing of paying One System EHR software development costs.

Deferred revenue decreased \$12.9 million (-12.2%) due primarily to the decrease in outstanding APP funds received during 2020 which the System began repaying in April 2021. Through September 30, 2022, the System has repaid \$105.2 million in APP funds.

Long-term debt increased by \$94.7 million. This increase is due to the issuance of the 2022A Bonds, NMTC Ladysmith, and the addition of MMC-Dickinson to the System, offset by regular principal payments on outstanding debt. The System's debt-to-capitalization ratio was 52.5%, as compared to 45.1% in the prior year. The increase in debt-to-capitalization ratio is due to the increase in Long-Term Debt with new issuance, coupled with a decrease in Net Assets without Donor Restrictions due to market value losses on investments and operating losses.

Other liabilities increased \$12.6 million (+9.3%) due to the addition of MMC-Dickinson to the System in February 2022 and its defined benefit pension liability offset by a decrease in deferred payroll taxes, MMC-Beaver Dam pension liability and deferred compensation.

## **V. UNAUDITED FINANCIAL STATEMENTS**

Certain financial information and operating data included in this Quarterly Report are that of the System. Such data includes financial and operating data that is attributable to certain members of the System that are not members of the Obligated Group and are therefore not legally obligated to make any payments with respect to obligations covered under this Quarterly Report (the "Non-Obligated Group Members").

MCHS and Marshfield Clinic, members of the Obligated Group, accounts for SHP and FHC using the equity method of accounting. Accordingly, the Obligated Group's assets and net assets on its balance sheet reflects MCHS's and Marshfield Clinic's ownership interest in SHP and FHC. Additionally, the Obligated Group's Statement of Operations includes SHP and FHC's operating results as equity earnings in revenue. In calculating the debt service coverage under the Master Indenture, income or loss from entities accounted for under the equity method is included. As of and for the nine months ended September 30, 2022, the Obligated Group members, excluding MCHS's and Marshfield Clinic's equity method of accounting for SHP and FHC, represented approximately 68% of total System revenues, 83% of total System assets and 78% of total System net assets. These percentages are calculated net of applicable intercompany eliminations.

The unaudited consolidated financial statements as of and for the nine months ended September 30, 2022 and 2021, include all adjustments that management considers necessary to present such information on a basis consistent with that of the audited consolidated financial statements. The unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim reporting and, accordingly, do not include all of the disclosures required in annual financial statements. As such, these unaudited consolidated financial statements should be read in conjunction with the information included under Management's Discussion and Analysis included in this Quarterly Report and the audited consolidated financial statements as of and for the calendar year ended December 31, 2021 and the 15 months ended December 31, 2020, and the related notes. The audited consolidated financial statements are available on the MSRB system, found on EMMA at

<https://emma.msrb.org/P21565156-P21209140-P21629921.pdf>.

**MARSHFIELD CLINIC HEALTH SYSTEM, INC.**

## Consolidated Balance Sheets - Unaudited

September 30, 2022 and 2021

(Dollars in thousands)

<b>Assets</b>	<b>UNAUDITED</b>	
	<b>Sept. 30, 2022</b>	<b>Sept. 30, 2021*</b>
Current assets:		
Cash and cash equivalents	\$ 191,064	\$ 334,265
Short-term investments	2,452	487
Current portion of assets whose use is limited or restricted	40,341	23,987
Patient receivables, net	406,626	371,326
Other receivables	109,272	89,938
Prepaid expenses and other	99,407	89,159
Total current assets	<u>849,162</u>	<u>909,162</u>
Assets whose use is limited or restricted, net of current portion	274,974	277,414
Investments	836,034	961,207
Notes receivable from and investments in affiliates	39,524	19,399
Property, plant, and equipment, net	1,222,909	1,094,334
Other assets	132,427	129,427
Total assets	<u>\$ 3,355,030</u>	<u>\$ 3,390,943</u>

\* Certain prior period figures have been restated to conform to current year presentation.

**MARSHFIELD CLINIC HEALTH SYSTEM, INC.**

## Consolidated Balance Sheets - Unaudited

September 30, 2022 and 2021

(Dollars in thousands)

	<b>UNAUDITED</b>	
	<b>Sept. 30, 2022</b>	<b>Sept. 30, 2021*</b>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Current portion of long-term debt	\$ 16,323	\$ 15,004
Medical claims payable	99,048	85,818
Accounts payable	97,800	97,523
Lines of credit	125,000	—
Accrued expenses	165,923	126,008
Deferred revenue	92,343	105,199
Total current liabilities	596,437	429,552
Long-term debt, less current portion and unamortized discount and premium	1,347,472	1,252,761
Other liabilities	148,260	135,626
Total liabilities	2,092,169	1,817,939
Net assets:		
Without donor restrictions	1,218,135	1,525,453
With donor restrictions	44,726	47,551
Total net assets	1,262,861	1,573,004
Total liabilities and net assets	\$ 3,355,030	\$ 3,390,943

\* Certain prior period figures have been restated to conform to current period presentation.

**MARSHFIELD CLINIC HEALTH SYSTEM, INC.**

Consolidated Statements of Operations and Changes in Net Assets without Donor Restrictions - Unaudited  
 Nine Months Ended Sept 30, 2022 and 2021  
 (Dollars in thousands)

	<b>UNAUDITED</b>	
	<b>Sept. 30, 2022</b>	<b>Sept. 30, 2021*</b>
Revenues:		
Net medical services revenue	\$ 1,205,357	\$ 1,125,806
Premium revenues	981,622	913,543
Grants and contracts	59,114	64,790
Other	33,908	22,006
Total operating revenues	<u>2,280,001</u>	<u>2,126,145</u>
Operating expenses:		
Salaries, contract labor and benefits	1,037,034	890,526
Medical claims expense	504,224	461,701
Supplies	420,525	388,274
Purchased and professional services	160,832	120,396
Depreciation and amortization	80,741	82,174
Interest	30,299	30,804
Facilities	49,300	46,774
Other operating expenses, net	89,646	73,481
Total operating expenses	<u>2,372,601</u>	<u>2,094,130</u>
(Loss)/Income from operations	<u>(92,600)</u>	<u>32,015</u>
Inherent contributions from affiliations	8,976	—
Nonoperating (losses) gains, net	<u>(164,531)</u>	<u>49,358</u>
Revenues and gains in (deficit) excess of expenses	<u>(248,155)</u>	<u>81,373</u>
Other changes in net assets without donor restrictions	1,030	1,104
(Decrease)/Increase in net assets without donor restrictions	<u>(247,125)</u>	<u>82,477</u>
Net assets without donor restrictions at beginning of period	1,465,260	1,442,976
Net assets without donor restrictions at end of period	<u>\$ 1,218,135</u>	<u>\$ 1,525,453</u>

\* Certain prior period figures have been restated to conform to current period presentation.



**MARSHFIELD CLINIC HEALTH SYSTEM, INC.**  
Consolidated Statements of Changes in Net Assets - Unaudited  
Nine Months Ended Sept 30, 2022 and 2021  
(Dollars in thousands)

	<b>UNAUDITED</b>	
	<b>Sept. 30, 2022</b>	<b>Sept. 30, 2021*</b>
Without donor restrictions:		
Revenues and gains in (deficit) excess of expenses	\$ (248,155)	\$ 81,373
Other changes in net assets without donor restrictions	1,030	1,104
(Decrease)/Increase in net assets without donor restrictions	<u>(247,125)</u>	<u>82,477</u>
With donor restrictions:		
Contributions and investment return	5,855	1,906
Net change in unrealized gains and losses on restricted net assets	(7,367)	2,916
Net assets released from restrictions for property, plant, and equipment	3	(575)
Net assets released from restrictions for operations	<u>(4,013)</u>	<u>(2,522)</u>
(Decrease)/Increase in net assets with donor restrictions	<u>(5,522)</u>	<u>1,725</u>
(Decrease)/Increase in net assets	<u>(252,647)</u>	<u>84,202</u>
Net assets at beginning of the period	1,515,508	1,488,802
Net assets at the end of the period	<u>\$ 1,262,861</u>	<u>\$ 1,573,004</u>

\* Certain prior period figures have been restated to conform to current period presentation.

**MARSHFIELD CLINIC HEALTH SYSTEM, INC.**

Consolidated Statements of Cash Flows - Unaudited

Nine Months Ended Sept 30, 2022 and 2021

(Dollars in thousands)

	<b>UNAUDITED</b>	
	<b>Sept. 30, 2022</b>	<b>Sept. 30, 2021*</b>
Cash flows from operating activities:		
(Decrease)/Increase in net assets	\$ (252,647)	\$ 84,202
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Gain on extinguishment of debt	(418)	—
Inherent contributions from affiliations	(8,976)	—
Net realized and change in unrealized gains and losses on investments	183,906	(37,517)
Loss (gain) from equity-basis investments	113	(56)
Depreciation and amortization	80,741	82,174
Changes in assets and liabilities:		
Patient and other receivables	(69,724)	(66,587)
Prepaid expenses and other	(954)	5,862
Accounts payable and accrued expenses	(6,987)	1,586
Medical claims payable	3,871	(26,708)
Deferred revenue	3,442	(31,344)
Net cash (used) in provided by operating activities	<u>(67,633)</u>	<u>11,612</u>
Cash flows from investing activities:		
Purchases of property, plant, and equipment	(145,790)	(82,194)
Purchases and sales of assets whose use is limited, net	(15,489)	(17,798)
Change in note receivable and other noncurrent assets	387	536
Purchases and sales of investments, net	68,641	(12,536)
Cash acquired in inherent contributions	13,435	—
Net cash used in investing activities	<u>(78,816)</u>	<u>(111,992)</u>
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	121,075	—
Repayments on long-term debt	(62,135)	(13,317)
Payments for debt issuance costs	(1,505)	—
Proceeds (Repayments) from line of credit borrowing	125,000	(25,000)
Net cash provided by (used in) by financing activities	<u>182,435</u>	<u>(38,317)</u>
Net increase (decrease) in cash and cash equivalents	35,986	(138,697)
Cash, cash equivalents and restricted cash:		
Beginning of period	197,500	507,368
End of period	<u>\$ 233,486</u>	<u>\$ 368,671</u>
Supplementary information:		
Cash paid for interest, net of amounts capitalized	\$ 40,713	\$ 30,804
Restricted cash and cash equivalents held in assets whose use is limited included above are:	42,422	34,406

\* Certain prior period figures have been restated to conform to current period presentation.

**MARSHFIELD CLINIC HEALTH SYSTEM, INC.**  
Consolidating Balance Sheet Information - Unaudited  
September 30, 2022  
(Dollars in thousands)

		UNAUDITED			
	Assets	Obligated Group	Security Health Plan	Eliminations/ Other	Total
Current assets:					
	Cash and cash equivalents	\$ 12,504	157,236	21,324	191,064
	Short-term investments	735	1,717	—	2,452
	Current portion of assets whose use is limited or restricted	21,476	2,186	16,679	40,341
	Patient receivables, net	455,523	—	(48,897)	406,626
	Other receivables	65,024	41,645	2,603	109,272
	Prepaid expenses and other	90,556	2,330	6,521	99,407
	Total current assets	645,818	205,114	(1,770)	849,162
Assets whose use is limited or restricted, net of current portion					
	Investments	218,740	2,783	53,451	274,974
	Notes receivable from and investments in affiliates	614,666	221,368	—	836,034
	Property, plant, and equipment, net	327,179	—	(287,655)	39,524
	Other assets	1,133,202	11,217	78,490	1,222,909
	Total assets	124,726	2,835	4,866	132,427
		\$ 3,064,331	443,317	(152,618)	3,355,030

**MARSHFIELD CLINIC HEALTH SYSTEM, INC.**  
Consolidating Balance Sheet Information - Unaudited  
September 30, 2022  
(Dollars in thousands)

		UNAUDITED		
		Obligated Group	Security Health Plan	Eliminations/Other
Liabilities and Net Assets				Total
Current liabilities:				
Current portion of long-term debt	\$	15,733	—	590
Medical claims payable		930	157,986	(59,868)
Accounts payable		87,102	4,342	6,356
Lines of credit		125,000	—	—
Accrued expenses		125,637	32,788	7,498
Deferred revenue		10,125	78,530	3,688
Total current liabilities		364,527	273,646	(41,736)
Long-term debt, less current portion and unamortized discount and premium		1,328,312	—	19,160
Other liabilities		110,192	584	37,484
Total liabilities		1,803,031	274,230	14,908
Net assets:				
Without donor restrictions		1,216,999	169,087	(167,951)
With donor restrictions		44,301	—	425
Total net assets		1,261,300	169,087	(167,526)
Total liabilities and net assets	\$	3,064,331	443,317	(152,618)

**MARSHFIELD CLINIC HEALTH SYSTEM, INC.**  
Consolidating Balance Sheet Information - Unaudited  
September 30, 2021  
(Dollars in thousands)

		UNAUDITED		
		Obligated	Security	Eliminations/
		Group	Health	Other
			Plan	
				Total
<b>Assets</b>				
Current assets:				
Cash and cash equivalents		\$ 268,950	57,025	8,290
Short-term Investments		—	487	—
Current portion of assets whose use is limited or restricted		23,987	—	—
Patient receivables		374,557	—	(3,231)
Other receivables		110,315	44,510	(64,887)
Prepaid expenses and other		86,837	2,107	215
Total current assets		864,646	104,129	(59,613)
Assets whose use is limited or restricted, net of current portion		270,334	7,080	—
Investments		672,042	289,165	—
Notes receivable from and investments in affiliates		257,220	—	(237,821)
Property, plant, and equipment, net		1,064,455	12,562	17,317
Other assets		126,065	3,362	—
Total assets		\$ 3,254,762	416,298	(280,117)

\* Certain figures have been restated to conform to current period presentation.

**MARSHFIELD CLINIC HEALTH SYSTEM, INC.**  
Consolidating Balance Sheet Information - Unaudited  
September 30, 2021  
(Dollars in thousands)

		UNAUDITED			
Liabilities and Net Assets		Obligated Group	Security Health Plan	Eliminations/ Other	Total
Current liabilities:					
Current portion of long-term debt	\$	14,250	—	754	15,004
Medical claims payable		15,042	131,442	(60,666)	85,818
Accounts payable		68,875	28,530	118	97,523
Lines of credit		—	—	—	—
Accrued expenses		124,022	1,471	515	126,008
Deferred revenue		77,902	27,241	56	105,199
Total current liabilities		300,091	188,684	(59,223)	429,552
Long-term debt, less current portion and unamortized discount and premium		1,246,490	—	6,271	1,252,761
Other liabilities		135,027	599	—	135,626
Total liabilities		1,681,608	189,283	(52,952)	1,817,939
Net assets:					
Without donor restrictions		1,525,603	227,015	(227,165)	1,525,453
With donor restrictions		47,551	—	—	47,551
Total net assets		1,573,154	227,015	(227,165)	1,573,004
Total liabilities and net assets	\$	3,254,762	416,298	(280,117)	3,390,943

\* Certain figures have been restated to conform to current period presentation.



**MARSHFIELD CLINIC HEALTH SYSTEM, INC.**

Consolidating Statement of Operations and Changes in Net Assets without Donor Restrictions Information - Unaudited

Nine Months Ended September 30, 2022

(Dollars in thousands)

UNAUDITED				
	Obligated Group	Security Health Plan	Eliminations/Other	Total
Revenues:				
Net medical services revenue	\$ 1,149,404	—	55,953	1,205,357
Premium revenues	392,244	981,430	(392,052)	981,622
Grants and contracts	47,032	—	12,082	59,114
Other	72,948	5,765	(44,805)	33,908
Total operating revenues	1,661,628	987,195	(368,822)	2,280,001
Expenses:				
Salaries, contract labor and benefits	938,064	32,108	66,862	1,037,034
Medical claims expense	129,821	861,190	(486,787)	504,224
Supplies	398,462	253	21,810	420,525
Purchased and professional services	115,577	24,715	20,540	160,832
Depreciation and amortization	74,698	1,587	4,456	80,741
Interest	29,724	—	575	30,299
Facilities	45,792	466	3,042	49,300
Other operating expenses	72,398	15,864	1,384	89,646
Shared services	(12,000)	11,887	113	—
Total operating expenses	1,792,536	948,070	(368,005)	2,372,601
(Loss) income from operations	(130,908)	39,125	(817)	(92,600)
Inherent contributions from affiliations	8,976	—	—	8,976
Nonoperating (losses), net	(126,208)	(35,797)	(2,526)	(164,531)
Revenues and gains in (deficit) excess of expenses	(248,140)	3,328	(3,343)	(248,155)
Other changes in net assets without donor restrictions	(561)	—	1,591	1,030
(Decrease) increase in net assets without donor restrictions	(248,701)	3,328	(1,752)	(247,125)
Net assets without donor restrictions at beginning of period	1,465,700	165,759	(166,199)	1,465,260
Net assets without donor restrictions at end of period	\$ 1,216,999	169,087	(167,951)	1,218,135

**MARSHFIELD CLINIC HEALTH SYSTEM, INC.**

Consolidating Statement of Operations and Changes in Net Assets without Donor Restrictions Information - Unaudited

Nine Months Ended September 30, 2021

(Dollars in thousands)

UNAUDITED				
	Obligated Group	Security Health Plan	Eliminations/Other	Total
Revenues:				
Net medical services revenue	\$ 1,192,041	—	(66,235)	1,125,806
Premium revenues	383,070	913,333	(382,860)	913,543
Grants and contracts	64,790	—	—	64,790
Other	52,839	5,587	(36,420)	22,006
Total operating revenues	1,692,740	918,920	(485,515)	2,126,145
Expenses:				
Salaries, contract labor and benefits	864,537	27,031	(1,042)	890,526
Medical claims expense	108,063	806,390	(452,752)	461,701
Supplies	387,002	154	1,118	388,274
Purchased and professional services	102,805	21,175	(3,584)	120,396
Depreciation and amortization	79,476	2,017	681	82,174
Interest	30,626	—	178	30,804
Facilities	46,002	517	255	46,774
Other operating expenses	58,608	14,980	(107)	73,481
Shared services	(14,524)	14,524	—	—
Total operating expenses	1,662,595	886,788	(455,253)	2,094,130
Income (loss) from operations	30,145	32,132	(30,262)	32,015
Nonoperating gains (losses), net	49,886	(528)	—	49,358
Revenues and gains in excess (deficit) of expenses	80,031	31,604	(30,262)	81,373
Other changes in net assets without donor restrictions	2,596	—	(1,492)	1,104
Increase (decrease) in net assets without donor restrictions	82,627	31,604	(31,754)	82,477
Net assets without donor restrictions at beginning of period	1,442,976	195,411	(195,411)	1,442,976
Net assets without donor restrictions at end of period	\$ 1,525,603	227,015	(227,165)	1,525,453

\* Certain figures have been restated to conform to current period presentation.