Consolidated Financial Statements
and Supplementary Information

Adventist Health System/West

Year Ended December 31, 2018 with
Report of Independent Auditors

Audited Consolidated Financial Statements
and Supplementary Information

Adventist Health System/West

Years Ended December 31, 2018 and 2017

Audited Consolidated Financial Statements

Supplementary Information

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Report of Independent Auditors

The Board of Directors
Adventist Health System/West

We have audited the accompanying consolidated financial statements of Adventist Health System/West (Adventist Health), which comprise the consolidated balance sheets as of December 31, 2018 and 2017, and the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Adventist Health System at December 31, 2018 and 2017, and the consolidated results of its operations and changes in net assets, and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

March 29, 2019

Adventist Health

Consolidated Balance Sheets

(In millions of dollars)

	December 31	
	2018	**2017**
Assets		
Cash and cash equivalents	**$ 700**	$ 728
Short-term investments	**313**	184
Patient accounts receivable	**509**	467
Receivables from third-party payors	**390**	349
Other current assets	**165**	203
Total current assets	**2,077**	1,931
Noncurrent investments	**1,243**	1,091
Other assets	**208**	181
Property and equipment, net	**2,288**	1,854
Total assets	**$ 5,816**	$ 5,057
Liabilities and net assets		
Accounts payable	**$ 297**	$ 254
Accrued compensation and related payables	**277**	248
Liablitities to third-party payors	**39**	53
Other current liabilities	**57**	73
Current maturities of long-term debt	**41**	38
Total current liabilities	**711**	666
Long-term debt, net of current maturities	**2,073**	1,750
Other noncurrent liabilities	**210**	313
Total liabilities	**2,994**	2,729
Net assets without donor restrictions:		
Controlling	**2,737**	2,251
Noncontrolling	**15**	1
Net assets with donor restrictions	**70**	76
Total net assets	**2,822**	2,328
Total liabilities and net assets	**$ 5,816**	$ 5,057

See notes to consolidated financial statements.

Adventist Health

Consolidated Statements of Operations and Changes in Net Assets

(In millions of dollars)

	Year Ended December 31	
	2018	**2017**
Revenues and support:		
Patient service revenue	**$ 3,994**	$ 3,724
Premium revenue	**164**	199
Other revenue	**265**	179
Net assets released from restrictions for operations	**11**	12
Total revenues and support	**4,434**	4,114
Expenses:		
Employee compensation	**1,984**	1,888
Professional fees	**498**	431
Supplies	**580**	506
Purchased services and other	**1,018**	875
Interest	**54**	45
Depreciation and amortization	**183**	165
Total expenses	**4,317**	3,910
Income from operations	**117**	204
Nonoperating income:		
Investment income	**37**	26
Gain on acquisition and divestitures	**399**	–
Other nonoperating losses	**(9)**	–
Total nonoperating income	**427**	26
Excess of revenues over expenses from continuing operations	**544**	230
Less: excess of revenues over expenses from noncontrolling interests	**(14)**	–
Excess of revenues over expenses from controlling interests	**$ 530**	$ 230

See notes to consolidated financial statements.

Adventist Health

Consolidated Statements of Operations and Changes in Net Assets (continued)
(In millions of dollars)

	Year Ended December 31 2018	2017
Net assets without donor restrictions:		
Controlling:		
Excess of revenues over expenses from controlling interests	**$ 530**	$ 230
Net change in unrealized gains and losses on other-than-trading securities	**(55)**	(16)
Donated property and equipment	**–**	2
Net assets released from restrictions for capital additions	**13**	15
Increase in net assets without donor restrictions before discontinued operations	**488**	231
Loss from discontinued operations	**(2)**	(22)
Increase in net assets without donor restrictions – controlling	**486**	209
Noncontrolling:		
Excess of revenues over expenses from noncontrolling interests	**14**	–
Increase in net assets without donor restrictions – noncontrolling	**14**	–
Net assets with donor restrictions:		
Restricted gifts and grants	**19**	17
Net assets released from restrictions	**(24)**	(27)
Other donor-restricted activity	**(1)**	1
Decrease in net assets with donor restrictions	**(6)**	(9)
Increase in net assets	**494**	200
Net assets, beginning of year	**2,328**	2,128
Net assets, end of year	**$ 2,822**	$ 2,328

See notes to consolidated financial statements.

Adventist Health

Consolidated Statements of Cash Flows
(In millions of dollars)

	Year Ended December 31	
	2018	**2017**
Operating activities		
Increase in net assets	**$ 494**	$ 200
Adjustments to reconcile increase in net assets to net cash provided by operating activities of continuing operations:		
Inherent contribution from affiliation	**(399)**	–
Loss from discontinued operations	**2**	22
Depreciation and amortization	**183**	165
Loss on early extinguishment of debt	**9**	–
Amortization of bond issuance costs and discount/premium	**(3)**	(3)
Net loss on investments	**–**	18
Net gain on sale of property and equipment	**–**	(1)
Net changes in operating assets and liabilities:		
Patient accounts receivable	**(4)**	41
Other assets	**99**	1
Net receivables from third-party payors	**(62)**	(150)
Other liabilities	**(141)**	21
Net cash provided by operating activities of continuing operations	**178**	314
Investing activities		
Purchases of property and equipment	**(216)**	(212)
Proceeds from sale of property and equipment	**1**	5
Issuance of notes receivable	**(10)**	(1)
Collections on notes receivable	**1**	10
Purchase of investments	**(670)**	(501)
Proceeds from sale of investments	**468**	450
Cash acquired in affiliation	**30**	–
Net cash used in investing activities of continuing operations	**(396)**	(249)
Financing activities		
Proceeds from lines of credit	**427**	640
Payments on lines of credit	**(337)**	(662)
Proceeds from issuance of long-term debt	**249**	150
Payments on long-term debt	**(175)**	(32)
Bond issuance premium/discount, net	**26**	–
Net cash provided by financing activities of continuing operations	**190**	96
Cash used in discontinued operations	**–**	(13)
(Decrease) increase in cash and cash equivalents	**(28)**	148
Cash and cash equivalents, beginning of year	**728**	580
Cash and cash equivalents, end of year	**$ 700**	$ 728

See notes to consolidated financial statements.

Note A – Summary of Significant Accounting Policies

Reporting Entity and Principles of Consolidation: Adventist Health System/West (Adventist Health) is a California not-for-profit religious corporation that controls and operates hospitals and other healthcare facilities in the western United States (collectively, the "System"). Many of the hospitals now controlled and operated by Adventist Health were formerly operated by various conferences of the Seventh-day Adventist Church (the "Church"). The obligations and liabilities of Adventist Health and its hospitals and other healthcare facilities are neither obligations nor liabilities of the Church or any of its other affiliated organizations.

The consolidated financial statements include the accounts of the following entities:

Adventist Health System/West dba Adventist Health – Roseville, California
San Joaquin Community Hospital dba Adventist Health Bakersfield – Bakersfield, California
Castle Medical Center dba Adventist Health Castle – Kailua, Hawaii
Adventist Health Clearlake Hospital, Inc., dba Adventist Health Clear Lake – Clearlake, California
Feather River Hospital dba Adventist Health Feather River – Paradise, California
Glendale Adventist Medical Center dba Adventist Health Glendale – Glendale, California
Hanford Community Hospital dba Adventist Health Hanford – Hanford, California
Willits Hospital, Inc., dba Adventist Health Howard Memorial – Willits, California
Lodi Memorial Hospital Association, Inc., dba Adventist Health Lodi Memorial – Lodi, California
Adventist Health Physicians Network – Roseville, California
Portland Adventist Medical Center dba Adventist Health Portland – Portland, Oregon
Rideout Memorial Hospital dba Adventist Health and Rideout – Marysville, California
Reedley Community Hospital dba Adventist Health Reedley – Reedley, California
Simi Valley Hospital & Health Care Services dba Adventist Health Simi Valley – Simi Valley, California
Sonora Community Hospital dba Adventist Health Sonora – Sonora, California
St. Helena Hospital dba Adventist Health St. Helena – St. Helena, California
Adventist Health Medical Center Tehachapi dba Adventist Health Tehachapi Valley – Tehachapi, California
Northwest Medical Foundation of Tillamook dba Adventist Health Tillamook – Tillamook, Oregon
Ukiah Adventist Hospital dba Adventist Health Ukiah Valley – Ukiah, California
White Memorial Medical Center dba Adventist Health White Memorial – Los Angeles, California
South Coast Medical Center – Roseville, California (discontinued operations)
Walla Walla General Hospital – Roseville, California (discontinued operations)
Western Health Resources dba Adventist Health Home Care Services – Roseville, California

The Board of Directors (the "Board") of Adventist Health and/or Adventist Health management constitutes the membership and/or serves as the legal board of the individual hospital corporations. All material intercompany transactions have been eliminated in consolidation.

Note A – Summary of Significant Accounting Policies (continued)

Basis of Accounting: The financial statements are prepared in conformity with United States (U.S.) generally accepted accounting principles.

Cash and Cash Equivalents: Cash and cash equivalents consist primarily of unrestricted readily marketable securities with original maturities not in excess of three months when purchased and net deposits in demand accounts. Cash deposits are federally insured in limited amounts.

Inventories: Inventories, which consist principally of medical and other supplies, are stated at the lower of cost or market as determined by the average cost method. Inventories are included in other current assets of $59 and $57 at December 31, 2018 and 2017, respectively.

Marketable Securities: Marketable securities, stated at fair value, consist primarily of U.S. government treasury, U.S. agency securities, corporate notes, exchange-traded funds, and open-end mutual funds comprised of fixed-income securities and domestic and international equities. Investment income or loss (including interest, dividends, and realized gains and losses on investments) is included in the excess of revenues over expenses from continuing operations unless the income or loss is restricted by donor or law. Unrealized gains and losses, calculated using the specific identification method, are excluded from the excess of revenues over expenses from continued operations. Securities with remaining maturity dates of one year or less as of the balance sheet date are classified as current.

Assets Whose Use is Limited: Certain System investments are limited as to use through Board resolution, provisions of contractual arrangements with third parties, terms of indentures, self-insurance trust arrangements, or donors who restrict the use of specific assets. The Board and certain hospital boards have resolved to fund the replacement and expansion of depreciable capital assets but may, at their discretion, use these funds for other purposes. Assets that are expected to be expended within one year are classified as current, including board-designated assets that are available and periodically borrowed for working capital needs.

Split-interest Agreements: The System is the trustee and beneficiary of various split-interest agreements. The carrying amounts of the System's split-interest assets are included with investments held by trustee and donor-restricted investments and include marketable securities and real estate. Trust assets are carried at fair value. Assets under split-interest agreements were $23 and $25 at December 31, 2018 and 2017, respectively. Trust obligations are reported in other noncurrent liabilities at their discounted estimated present value using actuarially determined life expectancy tables. Discount rates range between approximately 6% to 12%. Liabilities under split-interest agreements were $2 at December 31, 2018 and 2017.

Goodwill: The System records goodwill as the excess of purchase price and related costs over the fair value of net assets acquired. These amounts are evaluated for impairment annually or when there is an indicator of impairment. If it is determined that goodwill is impaired, the carrying value is reduced. The System had goodwill of $21 and $22 at December 31, 2018 and 2017, respectively, which is included in other long-term assets with no additions in 2018 and $1 in 2017.

Note A – Summary of Significant Accounting Policies (continued)

Property and Equipment: Property and equipment are reported on the basis of cost, except for donated items, which are recorded as an increase in net assets without donor restrictions based on fair market value at the date of the donation. During the period of construction, the System capitalizes expenditures and interest costs, net of earnings on invested bond proceeds that materially increase values, change capacities, and extend useful lives. The System had obligations for property and equipment of $22 and $5 at December 31, 2018 and 2017, respectively.

Management periodically evaluates the carrying amounts of long-lived assets for possible impairment. The System estimates that it will recover the carrying value of long-lived assets from future operations; however, considering the regulatory environment, competition, and other factors affecting the industry, there is at least a reasonable possibility this estimate might change in the near term. The effect of any change could be material.

Depreciation is computed using the straight-line method over the expected useful lives of the assets, which range from 3 to 40 years. Amortization of equipment under capital leases is included in depreciation expense.

Debt Issuance Costs: Debt issuance costs are reported as a reduction of long-term debt and are deferred and amortized over the life of the financings using the effective-interest method.

Bond Discounts/Premiums: Bonds payable are included in long-term debt, net of unamortized original issue discounts or premiums. Such discounts or premiums are amortized using the effective interest method based on outstanding principal over the life of the bonds.

Other Noncurrent Liabilities: Other noncurrent liabilities are comprised primarily of accruals for workers' compensation claims, professional and general liability claims, deferred revenue, and long-term charitable gift annuity obligations.

Net Assets: All resources not restricted by donors are included in net assets without donor restrictions. Resources restricted by donors for specific operating purposes, or for a period of time greater than one year, are reported as net assets with donor restrictions. When the restrictions have been met, the net assets with donor restrictions are reclassified to net assets without donor restrictions. Resources restricted by donors for additions to property and equipment are initially reported as net assets with donor restrictions and are transferred to net assets without donor restrictions when expended. Investment income is classified as net assets without donor restrictions or net assets with donor restrictions based on the intent of the donor. Gifts of future interests are reported as net assets with donor restrictions. Gifts, grants, and bequests not restricted by donors are reported as other revenue.

Patient Service Revenue: Patient service revenue is recognized when services are provided and reported at the estimated net realizable amounts from patients, third-party payors, and others, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered.

Note A – Summary of Significant Accounting Policies (continued)

Charity Care: The System provides care without charge or at amounts less than its established rates to patients who meet certain criteria under its charity care policy. In assessing a patient's ability to pay, the System uses federal poverty income levels and evaluates the relationship between the charges and the patient's income. The System did not materially change its charity care policy during 2018. The estimated cost of charity care was $30 and $29 in 2018 and 2017, respectively. The costs were determined using cost-to-charge ratios.

Premium Revenue: The System has agreements with various Health Maintenance Organizations (HMOs) to provide medical services to subscribing participants. Under these agreements, the System receives monthly capitation payments based on the number of each HMO's covered participants, regardless of the services actually performed by the System.

Other Revenue: Other revenue is comprised primarily of rental income, retail pharmacy, investment income, electronic health record revenue, and other miscellaneous income.

Advertising: The System expenses advertising costs as incurred. Advertising expense, included in purchased services and other expenses, was $15 and $17 in 2018 and 2017, respectively.

Income Tax: The principal operations of the System is exempt from taxation pursuant to Internal Revenue Code Section 501(c)(3) and related state provisions. The System recognizes tax benefits from any uncertain tax positions only if it is more-likely-than-not the tax position will be sustained, based solely on its technical merits, with the taxing authority having full knowledge of all relevant information. The System records a liability for unrecognized tax benefits from uncertain tax positions as discrete tax adjustments in the first interim period the more-likely-than-not threshold is not met. The System recognizes deferred tax assets and liabilities for temporary differences between the financial reporting basis and the tax basis of its assets and liabilities along with net operating loss and tax credit carryovers only for tax positions that meet the more-likely-than-not recognition criteria. At December 31, 2018 and 2017, no such assets or liabilities were recorded.

The System currently files Form 990 (informational return of organizations exempt from income taxes) and Form 990-T (business income tax return for an exempt organization) in the U.S. federal jurisdiction and the state of California. The System is not subject to income tax examinations prior to 2014 in major tax jurisdictions.

Income from Operations: The System's consolidated statements of operations and changes in net assets include an intermediate measure of operations, labeled "Income from operations." Items that are considered nonoperating are excluded from income from operations and include investment income and losses, gains and losses on acquisitions and divestitures, and gains and losses on debt refinancing.

Excess of Revenues Over Expenses: The consolidated statements of operations and changes in net assets include excess of revenues over expenses from continuing operations as a performance indicator. Changes in net assets without donor restrictions that are excluded from excess of revenues over expenses from continuing operations include unrealized gains and losses on investments in other-than-trading securities, contributions of long-lived assets, use of net assets with donor restricted funds for capital additions, and gains and losses from discontinued operations.

Note A – Summary of Significant Accounting Policies (continued)

Use of Estimates: The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts in the consolidated financial statements and the accompanying notes. Actual results could differ from these estimates.

New Accounting Pronouncements: In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which superseded virtually all revenue recognition guidance in U.S. GAAP. The new standard provides accounting guidance for all revenue arising from contracts with customers and affects all entities that enter into contracts to provide goods or services to their customers (unless the contracts are in the scope of other U.S. GAAP requirements). The guidance provides a model for the measurement and recognition of gains and losses on the sale of certain nonfinancial assets, such as property and equipment, including real estate. The effective date for this standard was delayed with the issuance of ASU No. 2015-14, *Revenue from Contracts with Customers (Topic 606)*, and was effective in 2018. The System adopted the guidance as of the January 1, 2018, effective date, using the full retrospective method of transition. The System primarily used a portfolio approach to apply the new model to classes of customers with similar characteristics. The adoption of the new standard on the System's 2018 and 2017 total revenues and results of operations is not material, as the analysis of its contracts under the new guidance supports the recognition of revenue consistent with its current revenue recognition model. The most significant impact of adopting the new standard is to the presentation of the consolidated income statements, where the provision for doubtful accounts is no longer presented as a separate line item and revenues are presented net of estimated implicit price concession revenue deductions. The related presentation of allowances for uncollectible accounts have been eliminated on the consolidated balance sheets as a result of the adoption of the new standard.

In August 2016, the FASB issued ASU No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities.* The new guidance simplifies and improves the face of the financial statements and enhances the disclosures in the footnotes of not-for-profit entities (NFPs). The most significant change is that net assets is now reported in two classes: net assets without donor restrictions and net assets with donor restrictions. Other simplifications and improvements have been made on NFPs presentation of information about liquidity and financial performance. Adventist Health has adjusted the presentation of these statements accordingly, and the ASU has been applied retrospectively to all periods presented.

In July 2018, the FASB issued ASU No. 2018-11, *Leases (Topic 842): Targeted Improvements*, which enhances ASU No. 2016-02, *Leases (Topic 842)*. The guidance of these ASUs requires the rights and obligations arising from the lease contracts, including existing and new arrangements, to be recognized as assets and liabilities on the balance sheet and allows for an option to apply the transition provisions of the new standard at its adoption date instead of at the earliest comparative period presented in its financial statements. The ASUs are effective January 1, 2019, and the System elected the practical expedient to initially apply the new leasing standard at the effective date. The System is finalizing its analysis of certain key assumptions that will be utilized at the transition date, including the incremental borrowing rate. The primary effect of the new standard will be to record right-of-use assets and obligations for current operating leases, which will have a material impact on the consolidated balance sheets and significant incremental disclosures in the notes to consolidated financial statements. The standard will not have a material impact on the System's consolidated results of operations or statement of cash flows.

Note A – Summary of Significant Accounting Policies (continued)

In August 2018, the FASB issued ASU 2018-15, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*. ASU 2018-05 amends and aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. ASU 2018-05 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2020. The Company early adopted ASU 2018-05 retroactively to January 1, 2018, which did not have a material impact on the System's consolidated financial statements.

In January 2016, the FASB issued ASU No. 2016-01, *Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*. ASU 2016-01 amends how entities recognize, measure, present, and disclose certain financial assets and financial liabilities. It requires the System to measure equity investments (except for those accounted for under the equity method) at fair value and recognize any changes in fair value in its performance indicator. ASU 2016-01 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2018. The Company adopted ASU 2016-01 on January 1, 2019. The impact on the Company's consolidated financial statements will depend on the performance of its equity investments.

Note B – Fair Value of Financial Instrument

The System accounts for certain assets at fair value. A fair value hierarchy for valuation inputs has been established to prioritize the valuation inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market. Each fair value measurement is reported in one of the three levels determined by the lowest level input considered significant to the fair value measurement in its entirety. These levels are defined as:

> Level 1: Quoted prices are available in active markets for identical assets as of the measurement date. Financial assets in Level 1 include U.S. treasury securities, domestic and foreign equities, and exchange-traded mutual funds.
>
> Level 2: Pricing inputs are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets. Financial assets in this category generally include government agencies and municipal bonds, asset-backed securities, and corporate bonds.
>
> Level 3: Pricing inputs are generally unobservable for the assets and include situations where there is little, if any, market activity for the investment. The System had no Level 3 investments at December 31, 2018 and 2017.

There were no transfers of financial assets between Level 1 and Level 2 of the fair value hierarchy.

(In millions of dollars)

Note B – Fair Value of Financial Instruments (continued)

The fair value of the System's financial assets, measured on a recurring basis at December 31, 2018, consists of the following:

	Quoted Prices in Active Markets for Identical Instruments (Level 1)	Significant Observable Inputs (Level 2)	Totals
Cash and cash equivalents	$ 822	$ –	$ 822
U.S. government treasury obligations	340	–	340
U.S. corporation and agency debentures	–	44	44
U.S. agency mortgage-backed securities	–	10	10
Corporate debt securities	–	412	412
Municipal bonds	–	26	26
Mutual funds – fixed income	308	–	308
Mutual funds – equity	258	–	258
Total financial assets stated at fair value	$ 1,728	$ 492	2,220
Commercial real estate			36
Other investments			135
Total cash and investments			$ 2,391

Commercial real estate investments are recorded at cost or fair market value if donated. These investments are periodically reviewed for impairment and written down if necessary. Other investments include retirement plan assets, joint ventures, and partnerships and are included in other assets.

(In millions of dollars)

Note B – Fair Value of Financial Instruments (continued)

The fair value of the System's financial assets, measured on a recurring basis at December 31, 2017, consists of the following:

	Quoted Prices in Active Markets for Identical Instruments (Level 1)	Significant Observable Inputs (Level 2)	Totals
Cash and cash equivalents	$ 797	$ –	$ 797
U.S. government treasury obligations	336	–	336
U.S. corporation and agency debentures	–	17	17
U.S. agency mortgage-backed securities	–	8	8
Corporate debt securities	–	393	393
Municipal bonds	–	23	23
Mutual funds – fixed income	328	–	328
Mutual funds – equity	67	–	67
Total financial assets stated at fair value	$ 1,528	$ 441	1,969
Commercial real estate			34
Other investments			117
Total cash and investments			$ 2,120

As of December 31, 2018 and 2017, the Level 2 instruments listed in the fair value hierarchy tables above use the following valuation techniques and inputs:

U.S. corporation and agency debentures: The fair value of investments in U.S. corporation and agency debentures classified as Level 2 is primarily determined using consensus pricing methods of observable market-based data. Significant observable inputs include quotes, spreads, and data points for yield curves.

U.S. agency mortgage-backed securities: The fair value of U.S. agency mortgage-backed securities classified as Level 2 is primarily determined using matrices. These matrices utilize observable market data of bonds with similar features, prepayment speeds, credit ratings, and discounted cash flows. Additionally, observed market movements, tranche cash flows, and benchmark yields are incorporated in the pricing models.

Corporate debt securities: The fair value of investments in corporate debt securities classified as Level 2 is primarily determined using techniques that are consistent with the market approach. Significant observable inputs include reported trades, dealer quotes, security-specific characteristics, and multiple sources of spread data points in developing yield curves.

Municipal bonds: The fair value of municipal bonds classified as Level 2 is determined using a market approach. The inputs include yield benchmark curves, prepayment speeds, and observable market data, such as institutional bids, dealer quotes, and two-sided markets.

(In millions of dollars)

Note C – Patient Accounts Receivable

The System's primary concentration of credit risk is patient accounts receivable, which consists of amounts owed by various governmental agencies, insurance companies, and self-pay patients. The System manages its receivables by regularly reviewing its patient accounts and contracts and by providing an appropriate allowance for contractual reimbursement, policy discounts, charity, and price concessions. These allowances are estimated based upon an evaluation of governmental reimbursements, negotiated contracts, and historical payments.

The following is a summary of significant concentrations of gross patient accounts receivable:

	December 31	
	2018	**2017**
Medicare	**37%**	37%
Medicaid	**31**	32
Other third-party payors	**29**	29
Self-pay	**3**	2
	100%	100%

(In millions of dollars)

Note D – Investments and Assets Whose Use is Limited

The following is a summary of investments and assets whose use is limited:

	December 31 2018	2017
Total unrestricted investments	**$ 1,188**	$ 920
Assets designated by the Board, primarily for property and equipment	**122**	122
Investments held by trustees for:		
Debt service	**12**	13
Future capital projects	**32**	11
Self-insurance programs	**170**	176
Charitable annuities and other	**8**	7
Total investments held by trustees	**222**	207
Donor-restricted investments for:		
Charitable trusts and life estate tenancies	**17**	18
Other purposes	**7**	8
Total donor-restricted investments	**24**	26
Total investments	**1,556**	1,275
Less short-term investments	**313**	184
Total noncurrent investments	**$ 1,243**	$ 1,091

Liquidity Management: As part of its liquidity management, the System's strategy is to structure its financial assets to be available to satisfy general operating expenses, current liabilities, and other obligations as they come due. The System invests cash in excess of daily requirements in short-term investments and has a committed syndicated line of credit to help manage unanticipated liquidity needs. Additionally, board-designated funds in the amount of $122 and other unrestricted noncurrent investments of $948 at December 31, 2018, may be utilized if necessary.

(In millions of dollars)

Note D – Investments and Assets Whose Use is Limited (continued)

The System's financial assets available for general operating expenses within one year are as follows:

	December 31 2018
Cash and cash equivalents	$ 700
Short-term investments	313
Patient accounts receivable	509
Receivables from third-party payors	390
Other receivables	66
	$ 1,978

Note E – Investment Income

Net realized investment income, including capital gains, interest, and dividend income, includes the following:

	Year Ended December 31	
	2018	**2017**
Investment earnings:		
Unrestricted and board-designated funds	**$ 37**	$ 26
Trustee-held funds:		
Bonds	**1**	–
Self-insurance programs	**19**	31
	$ 57	$ 57

For purposes of performance evaluation, management considers investment earnings on bond and self-insurance trustee-held funds to be components of operating income. These earnings are used to pay the operating expenses of interest and insurance and are reported in other revenue. Investment earnings on unrestricted and board-designated funds are components of nonoperating income and are reported on a separate line on the accompanying consolidated financial statements.

Changes in net unrealized gains and losses on other-than-trading securities, reported at fair value, are separately disclosed in the consolidated statements of operations and changes in net assets. Unrealized gains and losses associated with these securities relate principally to market changes in interest rates for similar types of securities. Since the System has the intent and ability to hold these securities for the foreseeable future, and it is more-likely-than-not that the System will not be required to sell the investments before their recovery, the declines are not reported as realized unless they are deemed to be other-than-temporary. In determining whether the losses are other-than-temporary, the System considers the length of time and extent to which the fair value has been less than cost or carrying value, the financial strength of the issuer, and the intent and ability of the System to retain the security for a period of time sufficient to allow for anticipated recovery or maturity.

(In millions of dollars)

Note F – Property and Equipment

The following is a summary of property and equipment:

	December 31 2018	December 31 2017
Land and improvements	**$ 243**	$ 222
Buildings and improvements	**2,634**	2,234
Equipment	**1,181**	1,056
	4,058	3,512
Less accumulated depreciation	**(2,094)**	(1,918)
	1,964	1,594
Construction-in-progress	**324**	260
	$ 2,288	$ 1,854

The System has commitments to complete certain construction projects approximating $72 (unaudited) at December 31, 2018.

The System is in the process of developing internal use software for clinical and financial operations. Depreciation expense for the software placed in service totaled $18 and $15 in 2018 and 2017, respectively. Amounts capitalized are included in property and equipment as follows:

	December 31 2018	December 31 2017
Equipment	**$ 253**	$ 209
Less accumulated depreciation	**(143)**	(125)
	110	84
Construction-in-progress	**21**	45
	$ 131	$ 129

Note G – Long-Term Debt

A master note under the master bond indenture provides security for substantially all long-term debt. Under the terms of the master bond indenture, substantially all System consolidated entities are jointly and severally obligated for the payments to be made under the master note. In addition, security is provided by a combination of bond insurance, funds held in trust of $12, and bank letters of credit aggregating to $80 at December 31, 2018. Bonds are not secured by any property of the System.

The System is obligated under variable-rate demand instruments, which are subject to certain market risks. The letters of credit, which the System intends to renew on a long-term basis, expire between 2021 and 2024, with the arrangements converting any unpaid amounts to term loans due within three years after conversion. The term loans would bear interest based on prime or the London Interbank Offered Rate. Long-term debt has been issued primarily on a tax-exempt basis.

The fair value of the System's long-term debt, including current maturities, is estimated based on quoted market prices for the same or similar issues or on the current rates offered to the System for debt of the same remaining maturities. The fair value of long-term debt was $2,175 and $1,851 at December 31, 2018 and 2017, respectively. Based on the inputs and valuation techniques, the fair value of long-term debt is classified as Level 2 within the fair value hierarchy.

Certain financing agreements impose limitations on the issuance of new debt by the System and require it to maintain specified financial ratios.

Interest paid, net of amounts capitalized, totaled $52 and $49 in 2018 and 2017, respectively. Interest capitalized totaled $7 and $4 in 2018 and 2017, respectively.

The System recorded operating lease expense amounting to $55 and $51 in 2018 and 2017, respectively.

The System was in compliance with its debt covenants at December 31, 2018.

In April 2018, the system exercised the option to call and redeem in full $20 of bonds issued in 2006 through the California Statewide Communities Development Authority (CSCDA) for The Fremont-Rideout Health Group. This resulted in a loss of $1.

In September 2018, the System issued $246 of new bonds through the CSCDA for the purpose of financing a new corporate office building and refinancing the 2011 City of Marysville bonds issued by The Fremont-Rideout Health Group. The 2011 City of Marysville bond issue was refinanced with proceeds from the 2018 CSCDA Series A bonds and assets in trustee-held reserve accounts of the refinanced bonds. The bonds were legally defeased with assets placed in an irrevocable trust and derecognized at the date of refunding. The extinguishment and defeasance of this bond issue resulted in a loss on refinancing of $8.

In December 2017, the System entered into taxable term loan agreements for variable direct placement debt in the amount of $150.

(In millions of dollars)

Note G – Long-Term Debt (continued)

The following is a summary of long-term debt:

	Year Ended December 31	
	2018	**2017**
Long-term bonds payable, with fixed rates currently ranging from 2.00% to 5.25%, payable in installments through 2048	**$ 1,079**	$ 850
Long-term bonds payable, with rates that vary with market conditions, payable in installments through 2041	**245**	252
Long-term notes payable, with fixed rates primarily ranging from 2.45% to 7.50%, payable in installments through 2046	**358**	361
Long-term notes payable, with rates that vary with market conditions, payable in installments through 2047	**367**	281
Net unamortized debt issuance costs and original issue premium	**65**	44
	2,114	1,788
Less current maturities	**(41)**	(38)
	$ 2,073	$ 1,750

Scheduled maturities of long-term debt and minimum lease payments on noncancelable operating leases with initial terms in excess of one year are as follows for the year ended December 31, 2018:

	Long-Term Debt	Operating Leases
2019	$ 37	$ 26
2020	44	19
2021	79	15
2022	164	13
2023	87	10
Thereafter	1,638	50
	$ 2,049	$ 133

(In millions of dollars)

Note H –Net Assets With Donor Restrictions

The System receives donations from generous individuals and organizations that support certain programs and services. Donations included in net assets with donor restrictions were maintained for the following purposes:

	December 31, 2018	December 31, 2017
Subject to expenditure for specified purpose:		
Capital projects and medical equipment	**$ 32**	$ 36
Research and education	**25**	26
	57	62
Subject to passage of time	**4**	5
Investment in perpetuity – endowment	**9**	9
	$ 70	$ 76

The board has designated certain net assets without donor restrictions funds to be used in the future for specific projects. Board-designated funds included in net assets without donor restrictions are held for the following purposes:

	December 31, 2018	December 31, 2017
Subject to expenditures for specified purpose:		
Capital projects and medical equipment	**$ 113**	$ 114
Patient care, education, and other	**4**	4
	117	118
Investment in perpetuity – endowments	**5**	4
	$ 122	$ 122

Note I – Patient Service Revenue

Patient service revenue is reported at the amount the System expects to be paid for providing patient care. These amounts are due from patients, third-party payors (including health insurers and government programs), and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews and investigations. Generally, the System bills the patients and third-party payors soon after the services are performed.

Patient service revenue is recognized as performance obligations are satisfied based on the nature of the services provided by the System. Revenue for performance obligations that are satisfied over time is recognized based on actual charges incurred in relation to total expected or actual charges. The System believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patients receiving inpatient services. The System measures the performance obligation from admission into the hospital to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge. Revenue for performance obligations satisfied at a point in time is recognized when goods or services are provided and the System does not believe it is required to provide additional goods or services to the patient.

Because all its performance obligations relate to contracts with a duration of less than one year, the System has elected to apply the optional exemption provided in ASC 606-10-50-14(a). Under this exemption, the System is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. Since the unsatisfied or partially unsatisfied performance obligations referred to above are primarily related to inpatient services at the end of the reporting period, the performance obligations for these contracts are generally completed within days or weeks of the end of the reporting period.

The System determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with the System's policy, and other implicit price concessions provided to uninsured patients. The System determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policies, and its historical settlement experience. The System determines its estimate of implicit price concessions for uninsured patients based on its historical collection experience with this class of patients.

Note I – Patient Service Revenue (continued)

Agreements with third-party payors typically provide for payments at amounts less than established charges. A summary of the payment arrangements with major third-party payors follows:

- **Medicare:** Certain services are paid at prospectively determined rates based on clinical, diagnostic, and other factors. Certain services are paid based on cost-reimbursement methodologies (subject to certain limits) with final settlement determined after Medicare Administrative Contractors have audited annual cost reports submitted by the System. Physician services are paid based upon established fee schedules based on services provided.

- **Medicaid:** Reimbursements for Medicaid services are generally paid at prospectively determined rates per discharge, per occasion of service, or per covered member. Supplemental funding is generally provided by the various states in which the System operates for Medicaid Disproportionate Share and Hospital Fee programs.

- **Other:** Payment agreements with certain commercial insurance carriers, HMOs, and preferred provider organizations provide for payment using prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

The healthcare industry is subject to laws and regulations concerning government programs, including Medicare and Medicaid, which are complex and subject to varying interpretation. Compliance with such laws and regulations may also be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties, and potential exclusion from the related programs. While the System operates a Compliance Program, which reviews its compliance with these laws and regulations, there can be no assurance that regulatory authorities will not challenge the System's compliance with these laws and regulations, and it is not possible to determine the impact (if any) such claims or penalties would have upon the System. In addition, the contracts the System has with commercial payors also provide for retroactive audit and review of claims.

Settlements with third-party payors for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor, and the System's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations. Subsequent revisions compared favorably to original estimates by $13 and $23 for the years ended December 31, 2018 and 2017, respectively.

(In millions of dollars)

Note I – Patient Service Revenue (continued)

Consistent with the System's mission, care is provided to patients regardless of their ability to pay. Therefore, the System has determined it has provided implicit price concessions to uninsured patients and patients with other uninsured balances (for example, copays and deductibles). For uninsured patients, the System applies a policy discount from standard charges to determine amounts billed to those patients. The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and the amounts the System expects to collect based on its collection history with that class of patients.

Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change. Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay are recorded as bad debt expense. Bad debt expense for the years ended December 31, 2018 and 2017, was not significant.

The composition of patient service revenues by payor is as follows:

	Year Ended December 31	
	2018	**2017**
Medicare	**$ 1,483**	$ 1,323
Medicaid	**1,273**	1,229
Other payors	**1,238**	1,172
	$ 3,994	$ 3,724

The composition of patient service revenues by area of operation and business type is as follows:

	Year Ended December 31, 2018					
	Pacific Northwest	**Northern California**	**Central California**	**Southern California**	**Other**	**Total**
Inpatient	**$ 272**	**$ 603**	**$ 708**	**$ 757**	**$ –**	**$ 2,340**
Outpatient and other	**176**	**233**	**350**	**150**	**37**	**946**
Emergency	**59**	**60**	**162**	**80**	**–**	**361**
Physician services	**69**	**118**	**181**	**26**	**67**	**461**
Eliminations	**(17)**	**(27)**	**(37)**	**(25)**	**(8)**	**(114)**
Grand total	**$ 559**	**$ 987**	**$ 1,364**	**$ 988**	**$ 96**	**$ 3,994**

	Year Ended December 31, 2017					
	Pacific Northwest	**Northern California**	**Central California**	**Southern California**	**Other**	**Total**
Inpatient	$ 254	$ 334	$ 759	$ 766	$ –	$ 2,113
Outpatient and other	163	210	359	186	33	951
Emergency	56	57	141	79	–	333
Physician services	72	109	172	25	69	447
Eliminations	(18)	(27)	(41)	(26)	(8)	(120)
Grand total	$ 527	$ 683	$ 1,390	$ 1,030	$ 94	$ 3,724

(In millions of dollars)

Note I – Patient Service Revenue (continued)

Premium revenues: The System has entered into payment agreements with certain HMOs to provide medical services to subscribing participants. Under these agreements, the System receives monthly capitation payments based on the number of each HMO's covered participants regardless of the services actually provided by the system. The transaction price may be adjusted for stop loss recoveries, ceded premiums. and risk adjustment factors. Performance obligations are satisfied over the passage of time by standing ready to provide services.

The composition of premium revenues based on area of operation and payor class is as follows:

	Year Ended December 31, 2018					
	Pacific Northwest	**Northern California**	**Central California**	**Southern California**	**Other**	**Total**
Medicaid managed care	**$ 3**	**$ 96**	**$ 23**	**$ 37**	**$ 3**	**$ 162**
Other managed care	**2**	**–**	**–**	**–**	**–**	**2**
	$ 5	**$ 96**	**$ 23**	**$ 37**	**$ 3**	**$ 164**

	Year Ended December 31, 2017					
	Pacific Northwest	**Northern California**	**Central California**	**Southern California**	**Other**	**Total**
Medicaid managed care	$ 3	$ 90	$ 18	$ 33	$ 4	$ 148
Medicare managed care	49	–	–	–	–	49
Other managed care	2	–	–	–	–	2
	$ 54	$ 90	$ 18	$ 33	$ 4	$ 199

The composition of premium revenues based on type of service and area of operation is as follows:

	Year Ended December 31, 2018					
	Pacific Northwest	**Northern California**	**Central California**	**Southern California**	**Other**	**Total**
Institutional services	**$ –**	**$ 89**	**$ 18**	**$ 37**	**$ –**	**$ 144**
Professional services	**5**	**7**	**5**	**–**	**3**	**20**
	$ 5	**$ 96**	**$ 23**	**$ 37**	**$ 3**	**$ 164**

	Year Ended December 31, 2017					
	Pacific Northwest	**Northern California**	**Central California**	**Southern California**	**Other**	**Total**
Institutional services	$ 51	$ 84	$ 16	$ 33	$ 1	$ 185
Professional services	3	6	2	–	3	14
	$ 54	$ 90	$ 18	$ 33	$ 4	$ 199

(In millions of dollars)

Note I – Patient Service Revenue (continued)

The System recorded revenue from state programs for serving a disproportionate share of Medicaid and low-income patients in the amount of $49 and $43 in 2018 and 2017, respectively, including final settlements on prior years.

The State of California enacted legislation for a hospital fee program to fund certain Medi-Cal program coverage expansions. The program charges hospitals a quality assurance fee that is used to obtain federal matching funds for Medi-Cal with the proceeds redistributed as supplemental payments to California hospitals that treat Medi-Cal patients. There are two hospital fee programs that had activity in 2017 and 2018: a 36-month hospital fee program covering the period from January 1, 2014 through December 31, 2016, and a 30-month hospital fee program covering the period from January 1, 2017 through June 30, 2019.

Federal and state payments received from these programs are included in patient service revenue, and fees paid or payable to the state and California Health Foundation and Trust (CHFT) are included in purchased services and other expenses, as follows:

	Year Ended December 31	
	2018	**2017**
Patient service revenue	**$ 412**	$ 508
Purchased services:		
Quality assurance fees	**165**	194
CHFT payments	**2**	3
Total purchased services and other expenses	**167**	197
Income from operations	**$ 245**	$ 311

Accrued net receivables related to the hospital fee programs are included in receivables from third-party payors, and amount to $345 and $285 as of December 31, 2018 and 2017, respectively.

(In millions of dollars)

Note J – Functional Classification of Expenses

The System groups like expenses into financial statement lines and classifies programmatic expenses by business line. Expenses that are attributable to one or more programs or supporting functions are allocated based on operating expenses, square footage, and other criteria.

The following is a functional classification of the System's expenses:

	Year Ended December 31, 2018		
	Program Services	**General and Administrative**	**Total**
Employee compensation	**$ 1,692**	**$ 292**	**$ 1,984**
Professional fees	**420**	**78**	**498**
Supplies	**570**	**10**	**580**
Purchased services and other	**755**	**263**	**1,018**
Interest	**54**	**–**	**54**
Depreciation and amortization	**174**	**9**	**183**
Total expenses	**$ 3,665**	**$ 652**	**$ 4,317**

	Year Ended December 31, 2017		
	Program Services	General and Administrative	Total
Employee compensation	$ 1,532	$ 356	$ 1,888
Professional fees	355	76	431
Supplies	492	14	506
Purchased services and other	747	128	875
Interest	44	1	45
Depreciation and amortization	160	5	165
Total expenses	$ 3,330	$ 580	$ 3,910

Note K – Retirement Plan

Most of the System's operating entities participate in a single defined contribution plan (the "Plan"). The Plan is exempt from the Employee Retirement Income Security Act of 1974. The Plan provides, among other things, that the employer will contribute 3% of wages plus additional amounts for employees earning more than the Social Security wage base capped by the IRS compensation limit for the Plan year. Additionally, the Plan provides that the employer will match 50% of the employee's contributions up to 4% of the contributing employee's wages. Substantially all full-time employees who are at least 18 years of age are eligible for coverage in the Plan. The cost to the System for the Plan is included in employee compensation in the amount of $55 and $58 for the years ended December 31, 2018 and 2017, respectively.

The System has implemented deferred compensation agreements (the "Agreements") with certain key executives. The Agreements are structured such that the System will have no future obligation to fund any additional amounts beyond an initial $34 that was set aside to fund the premium payments on various split-dollar life insurance policies. The cash flows received by the executives following their retirement will be funded with loans taken against the life insurance contracts, which can be drawn by the executives post-retirement. Related to this transaction, the System has recorded $9 and $14 as prepaid insurance contracts at December 31, 2018 and 2017, respectively, and $21 and $16 of cash surrender value in other assets at December 31, 2018 and 2017, respectively. The compensation expense in 2018 and 2017 related to the Agreements was not material.

Note L – Self-Insurance Liability Programs

The System has established a separate self-insured revocable trust (the "System Trust") that covers the System's entities for professional and general liability claims up to $8 per occurrence and $23 in aggregate. The System contracts with Adhealth, Limited (Adhealth), a Bermuda company, to provide excess coverage for professional and general liability claims that exceed the self-insured revocable trust limits. Adhealth provided excess coverage with aggregate and per claim limits of $133 for professional and general liability claims for the years ended December 31, 2018 and 2017. Adhealth has purchased reinsurance through commercial insurers for 100% of the excess limits of coverage.

Claim liabilities (reserves) for future losses and related loss adjustment expenses for professional liability claims have been determined by an actuary at the present value of future claim payments using a 2% discount rate for program years 2018 and 2017. Such claim reserves are based on the best data available to the System; however, these estimates are subject to a significant degree of inherent variability. Accordingly, there is at least a reasonable possibility that a material change to the estimated reserves will occur in the near term. The System Trust's accrued liability for professional and general liability claims is included in the consolidated balance sheets in the amount of $133 and $140 at December 31, 2018 and 2017, respectively.

The System has a 50% ownership position in Adhealth at December 31, 2018 and 2017, and accounts for its investment using the equity method of accounting. The cost of acquiring commercial insurance by Adhealth is reflected as an expense in the consolidated statements of operations and changes in net assets.

Note L – Self-Insurance Liability Programs (continued)

The System maintains a self-insured workers' compensation plan to pay for the cost of workers' compensation claims. The System has entered into an excess insurance agreement with an insurance company to limit its losses on claims. The cost of workers' compensation claims is accrued using actuarially determined estimates that are based on historical factors. Such claim reserves are based on the best data available to the System; however, these estimates are subject to a significant degree of inherent variability. Accordingly, there is at least a reasonable possibility that a material change to the estimated reserves will occur in the near term.

Workers' compensation claim liabilities have been determined by an actuary at the present value of future claim payments using a 2% discount rate for program years 2018 and 2017. The System's accrued liability for workers' compensation claims is recorded in the consolidated balance sheets in the amount of $72 and $68 at December 31, 2018 and 2017, respectively.

Note M – Related-Party Transactions

The System had transactions with organizations that are considered related parties. The amounts receivable from related parties are reported in the accompanying consolidated financial statements as other receivables of $8 and $10 and notes receivable of $16 and $6 at December 31, 2018 and 2017, respectively.

Note N – Commitments and Contingencies

Certain member organizations are involved in litigation and investigations arising in the ordinary course of business. In addition, certain member organizations in the ordinary course of business identified matters that they have reported to the Centers for Medicare & Medicaid Services (CMS), CMS contractors, or Medicaid/Medi-Cal contractors. Such disclosures typically involve simple repayment of affected claims; however, federal and state contractors may refer these matters to the Department of Health and Human Services' Office of Inspector General to investigate whether certain member organizations have submitted false claims to the Medicare and Medicaid programs or have violated other laws. Submission of false claims or violation of other laws can result in substantial civil and/or criminal penalties and fines, including treble damages and/or possible debarment from future participation in such programs. The System is committed to cooperating in such investigations as they arise. Although management does not believe these matters will have a material adverse effect on the System's consolidated financial position, there can be no assurance that this will be the case.

Note O – FEMA Financial Grants

Several of the System's hospitals are located in areas of frequent earthquake activity and have sustained damage from earthquakes in the past. Three System hospitals received $156 of grant funds from the Federal Emergency Management Agency (FEMA) for repair of damage and seismic structural upgrades, and all of these funds were recorded in the accompanying consolidated financial statements in years prior to 2018.

Prior to 2018, FEMA grant funds received for capitalized expenditures were accounted for as an exchange transaction and are reported as deferred revenue in other noncurrent liabilities. In 2018, all remaining conditions related to the receipt of the FEMA funds were met and the remaining $84 was recognized in other revenue.

Note P – Discontinued Operations

In April 2017, management committed to a plan to either transfer the assets of Walla Walla General Hospital (WWGH) to another healthcare entity or to discontinue operating the hospital and sell its nonfinancial assets. As a result of this plan, operations ceased and WWGH was removed from the Obligated Group in July 2017. Accordingly, at December 31, 2017, all WWGH activity was reflected in the consolidated statements of operations and changes in net assets as a component of net loss from discontinued operations, and the applicable assets, primarily property and equipment, were reported in the consolidated balance sheets as assets held for sale. No further depreciation was recorded subsequent to the commitment date. All assets held for sale as of December 31, 2017 were sold in March 2018 for $16. This sale did not result in any gain or loss subsequent to the initial losses included in discontinued operations in 2017.

Note Q – Adventist Health Tehachapi Valley

In 2016, the System entered into an agreement with Tehachapi Valley Healthcare District (the "District") to take over the operations of the District's hospital (Adventist Health Tehachapi Valley) for a period of 30 years, beginning November 1, 2016. The terms of the agreement resulted in the consolidation of Adventist Health Tehachapi Valley's financial statements into the System's financials statements. The agreement also included construction of a new hospital, which was completed and placed into service in November 2018, and is included in property and equipment on the accompanying consolidated financial statements for $38.

Note R – Camp Fire Impact

In November 2018, the System's Adventist Health Feather River (AHFR) facilities in Paradise, California, and neighboring communities incurred extensive damage as a result of the Camp Fire. Since the Camp Fire, most of the AHFR properties, including the 100-bed acute care hospital, remain temporarily closed and non-operational as the System completes the damage assessments. These assessments may include the restoration of the properties to an operational condition, or determination of the plans associated with rebuilding properties that were fully or partially destroyed during the Camp Fire. The System is currently unable to provide any estimates of re-opening dates for the facilities, and it is expected that most of the facilities will continue to be closed for the foreseeable future. In the aggregate, these properties comprised approximately 4.8% of total revenues and support during the 12 months ended December 31, 2017.

Note R – Camp Fire Impact (continued)

As discussed below, the System believes it is entitled to insurance recovery proceeds for substantially all the costs incurred related to the remediation, repair, and reconstruction of each of the impacted properties, subject to certain deductibles and other limitations. In addition, during the period that these properties are non-operational, the System believes it is entitled to business interruption insurance recoveries for the lost income related to these properties, subject to certain deductibles and other limitations.

At the time of the Camp Fire, the System maintained an insurance policy with an insurance company providing for total per occurrence aggregate coverage of $1,000 subject to a one hundred twenty-five thousand dollars per-occurrence deductible with other limitations. This policy provides full replacement value coverage, with valuation under the policy based on the lesser of the cost to repair or replace on the same site with new materials of like size, kind, and quality. This also includes the costs to clean smoke and/or soot impacted buildings, equipment, and stock and supplies. Subject to certain limitations, the policy also includes provisions that allow for replacement on sites other than the current facility sites.

When all property insurance coverage and deductibles applicable to the above-mentioned Camp Fire damaged and destroyed buildings and assets are considered, the System believes it is entitled to the recovery of substantially all Camp Fire related expenses and reconstruction costs, less an aggregate net deductible. In addition, pursuant to the business interruption policy, we believe we are entitled to substantially all lost income at the impacted properties resulting from the Camp Fire. However, we can provide no assurance that we will ultimately collect, after satisfaction of the applicable deductibles, substantially all of the Camp Fire related expenses and reconstruction costs and the lost income resulting from the related interruption of business at the impacted properties.

As of December 31, 2018, the System has disposed of all fixed assets that were fully destroyed during the Camp Fire. The System has also written off current assets with a book value of $4 primarily related to destroyed inventory. The System insurance recoveries and receivables recorded in the amount of $32 related to recovery of expenses, primarily related to payroll and professional fees expenses and fire remediation and demolition expenses. As of December 31, 2018, the System received initial Camp Fire related insurance payments of $30. These payments have been applied as an offset to the insurance recovery receivables recorded on the balance sheet. After the application of the $30, there is a remaining $2 in insurance recovery receivables included in other current assets. As of December 31, 2018, AHFR has property and equipment with a book value of $34 that is currently non-operational as a result of the Camp Fire. Based on an impairment analysis, management does not believe these assets are impaired. However, based on the preliminary nature of the damage assessments and management's intentions with regard to reconstruction, there can be no assurance that a future impairment may not be recognized.

As of December 31, 2018, the System's financial statements do not include any business interruption insurance recoveries related to lost profits since no business interruption insurance proceeds were received as of that date for that purpose. The System has also not included any insurance recoveries for expected receipts above the book value of the assets recorded in the financial statements at the time of the loss. However, the System expects that business interruption and other insurance recoveries will be recognized in future periods when recovery proceeds are probable and/or insurance carrier notifications are received.

(In millions of dollars)

Note R – Camp Fire Impact (continued)

The Camp Fire related expenses and insurance recoveries recorded to date are based upon the preliminary damage assessments of the real property at AHFR properties. The System is unable to assess the ultimate repair cost of the damaged property or the amount of total insurance recoveries it may ultimately receive. Although the System expects to receive additional Camp Fire related insurance proceeds in the future, the timing and amount of such proceeds cannot be determined at this time since it will be based upon factors such as ultimate replacement costs of damaged assets and the ultimate value of the business interruption claims. Therefore, in connection with the Camp Fire, it is likely that the System will record additional Camp Fire related expenses and insurance recoveries in future periods, which could be material.

Note S – Acquisition of The Fremont-Rideout Health Group

The System entered into an affiliation agreement with Fremont-Rideout Health Group, located in Marysville, California, to become the sole member of Fremont-Rideout Health Group (Rideout Health). This agreement was effective April 1, 2018. Rideout Health is comprised of Rideout Memorial Hospital and several other health businesses and community services in Marysville, California. This acquisition allowed the System the ability to provide expanded healthcare services in the Marysville, California market.

The fair value of assets acquired and liabilities assumed at the acquisition date consisted of the following:

Assets acquired:	
Cash and cash equivalents	$ 33
Patient accounts receivable	38
Prepaids and other current assets	73
Assets whose use is limited	85
Property and equipment	385
Other assets	8
	$ 622
Liabilities assumed:	
Accounts payable and accrued compensation	$ 74
Long-term debt	134
Other liabilities	12
	220
Net assets without donor restrictions:	
Controlling	390
Noncontrolling	12
	402
	$ 622

(In millions of dollars)

Note S – Acquisition of The Fremont-Rideout Health Group (continued)

As a part of the affiliation agreement, the System contributed $3 to The Fremont-Rideout Foundation, an unconsolidated affiliated organization of Rideout Health, and incurred $2 in acquisition costs. In addition, the System committed to investing $90 in capital expenditures among the Rideout Health entities during the next five years. As part of the affiliation, the System recorded a gain on acquisition and divestitures of $399, which is reported as a gain on acquisition in a separate line in the accompanying consolidated financial statements. No intangible assets were recorded.

Rideout Health's results of operations and changes in net assets were included in the System's consolidated financial statements beginning April 1, 2018. Summary operating results, exclusive of the gain on acquisition recorded at acquisition, were as follows for the nine-month period ended December 31, 2018:

Revenues and support	$	317
Excess of revenue over expense		(2)
Decrease in net assets without donor restrictions		(14)

The following pro forma consolidated operating results for the years ended December 31, 2018 and 2017, give effect to the acquisition as if it had occurred on January 1, 2017. Pro forma amounts for both periods were adjusted to exclude the gain on acquisition recognized from the acquisition. The pro forma consolidated operating results do not necessarily represent the System's consolidated operating results had the acquisition occurred on the date assumed, nor are these results necessarily indicative of the System's future consolidated operating results.

	Year Ended December 31,	
	2018	**2017**
Pro forma revenues and support	**$ 4,537**	$ 4,501
Pro forma excess of revenues over expense	**140**	220
Pro forma increase in net assets without donor restrictions	**110**	190
Pro forma decrease in donor-restricted net assets	**(6)**	(9)

Note T – Subsequent Events

In 2019, the System executed an Affiliation Agreement with Delano Regional Medical Center, located in Delano, California, to become the sole corporate member of Delano Regional Medical Center. Upon approval by the State of California Attorney General's Office, which is expected in the third quarter of 2019, the affiliation will become effective. This acquisition will expand the System's mission in the central California region.

In 2018, board members of the Tulare Local Healthcare District (the "District") voted to lease Tulare Regional Medical Center (TRMC) to Adventist Health. While negotiations were pending, the System agreed to loan the District $10 to help reopen the hospital. As of December 31, 2018, $9 of this loan had been drawn and is included on the System's consolidated financial statements in other assets. The agreement between the System and the District, which was approved by the bankruptcy court, will allow the System to manage the operations of TRMC. TRMC reopened October 15, 2018, and is being managed by the System under the terms of an interim management services agreement. On November 6, 2018, a district vote granted final approval of the agreement between the System and the District. The lease for TRMC is likely to commence in the first quarter of 2019 with a 30-year term and annual payments of approximately $2, providing for interim early termination options at the System's discretion. Upon commencement of the lease, the System will purchase certain assets of TRMC for approximately $6.

The System has evaluated subsequent events and disclosed all material events through March 29, 2019, the date the accompanying consolidated financial statements were issued.

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Report of Independent Auditors on Supplementary Information

The Board of Directors
Adventist Health System/West

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating financial statement schedules for Adventist Health System/West is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Ernst & Young LLP

March 29, 2019

Adventist Health
Consolidating Balance Sheets
(In millions of dollars)
December 31, 2018

	Consolidated Balances	Adjustments and Eliminations	Adventist Health System Office	Adventist Health Bakersfield	Adventist Health Castle	Adventist Health Clear Lake	Adventist Health Feather River	Adventist Health Glendale	Adventist Health Hanford	Adventist Health Howard Memorial	Adventist Health Lodi Memorial
Assets											
Cash and cash equivalents	$ 700	$ (976)	$ 12	$ 130	$ 105	$ 18	$ 56	$ 65	$ 253	$ 19	$ 88
Short-term investments	313	18	280	1	2	–	1	3	1	–	1
Patient accounts receivable	509	(14)	–	49	23	13	14	68	37	8	34
Receivables from third-party payors	390	(19)	–	17	1	22	39	34	62	13	18
Other current assets	165	(218)	99	26	8	4	5	17	43	4	15
Total current assets	2,077	(1,209)	391	223	139	57	115	187	396	44	156
Noncurrent investments	1,243	(41)	1,090	1	11	1	4	6	8	1	3
Other assets	208	12	141	–	7	–	–	6	2	–	3
Property and equipment, net	2,288	(1)	292	131	113	32	51	198	197	56	139
Total assets	$ 5,816	$ (1,239)	$ 1,914	$ 355	$ 270	$ 90	$ 170	$ 397	$ 603	$ 101	$ 301
Liabilities and net assets											
Accounts payable	$ 297	$ –	$ 95	$ 26	$ 7	$ 3	$ 6	$ 26	$ 12	$ 3	$ 9
Accrued compensation and related payables	277	(14)	125	13	9	3	8	18	11	4	9
Liablitities to third-party payors	39	–	–	1	–	1	–	7	3	2	5
Other current liabilities	57	(238)	88	16	5	1	8	9	16	–	65
Current maturities of long-term debt	41	–	8	2	1	2	2	6	5	–	4
Total current liabilities	711	(252)	316	58	22	10	24	66	47	9	92
Long-term debt, net of current maturities	2,073	(16)	687	80	61	57	71	168	215	26	131
Other noncurrent liabilities	210	(971)	1,088	4	2	1	2	7	7	1	4
Total liabilities	2,994	(1,239)	2,091	142	85	68	97	241	269	36	227
Net assets without donor restrictions:											
Controlling	2,737	–	(184)	209	182	22	71	149	333	64	74
Noncontrolling	15	–	–	–	1	–	–	(1)	–	–	–
Net assets with donor restrictions	70	–	7	4	2	–	2	8	1	1	–
Total net assets	2,822	–	(177)	213	185	22	73	156	334	65	74
Total liabilities and net assets	$ 5,816	$ (1,239)	$ 1,914	$ 355	$ 270	$ 90	$ 170	$ 397	$ 603	$ 101	$ 301

See accompanying auditors' report on supplementary information.

Adventist Health Physicians Network	Adventist Health Portland	Adventist Health Reedley	Adventist Health and Rideout	Adventist Heath Simi Valley	Adventist Health Sonora	Adventist Health St. Helena	Adventist Health Tehachapi Valley	Adventist Health Tillamook	Adventist Health Ukiah Valley	Adventist Health White Memorial	South Coast Medical Center	Walla Walla General Hospital	Western Health Resources
$ –	$ 137	$ 41	$ 147	$ 7	$ 121	$ 30	$ –	$ 33	$ 72	$ 339	$ –	$ –	$ 3
–	1	–	–	1	1	1	–	–	1	1	–	–	–
2	37	18	46	19	32	24	6	12	16	56	–	–	9
–	–	19	21	2	16	17	4	2	27	94	–	1	–
30	24	5	23	6	11	24	4	6	8	20	–	–	1
32	199	83	237	35	181	96	14	53	124	510	–	1	13
–	5	–	–	1	5	23	1	1	3	120	–	–	–
–	4	10	8	6	–	–	1	–	1	6	–	–	1
–	102	21	367	126	93	88	40	12	79	152	–	–	–
$ 32	$ 310	$ 114	$ 612	$ 168	$ 279	$ 207	$ 56	$ 66	$ 207	$ 788	$ –	$ 1	$ 14
$ 1	$ 17	$ 4	$ 26	$ 5	$ 11	$ 12	$ 4	$ 3	$ 9	$ 17	$ –	$ –	$ 1
3	10	4	20	7	10	8	1	3	6	16	–	–	3
–	1	2	6	1	1	1	–	–	–	8	–	–	–
23	7	1	4	2	3	15	2	–	16	14	–	–	–
–	–	–	2	4	2	2	–	–	1	–	–	–	–
27	35	11	58	19	27	38	7	6	32	55	–	–	4
–	80	18	142	105	74	52	44	4	44	29	–	–	1
5	3	1	13	2	5	4	11	1	2	13	3	–	2
32	118	30	213	126	106	94	62	11	78	97	3	–	7
–	188	85	385	40	167	85	(6)	55	127	686	(3)	1	7
–	–	–	14	1	–	–	–	–	–	–	–	–	–
–	4	(1)	–	1	6	28	–	–	2	5	–	–	–
–	192	84	399	42	173	113	(6)	55	129	691	(3)	1	7
$ 32	$ 310	$ 114	$ 612	$ 168	$ 279	$ 207	$ 56	$ 66	$ 207	$ 788	$ –	$ 1	$ 14

Adventist Health
Consolidating Statements of Operations and Changes in Net Assets
(In millions of dollars)
Year Ended December 31, 2018

	Consolidated Balances	Adjustments and Eliminations	Adventist Health System Office	Adventist Health Bakersfield	Adventist Health Castle	Adventist Health Clear Lake	Adventist Health Feather River	Adventist Health Glendale	Adventist Health Hanford	Adventist Health Howard Memorial	Adventist Health Lodi Memorial
Revenues and support:											
Patient service revenue	$ 3,994	$ (114)	$ –	$ 410	$ 168	$ 96	$ 186	$ 455	$ 296	$ 57	$ 248
Premium revenue	164	–	–	–	2	11	–	–	18	5	3
Other revenue	265	(362)	388	5	12	4	18	45	6	4	5
Net assets released from restrictions for operations	11	–	2	–	1	–	–	2	1	–	–
Total revenues and support	4,434	(476)	390	415	183	111	204	502	321	66	256
Expenses:											
Employee compensation	1,984	(130)	269	159	81	43	80	198	125	30	110
Professional fees	498	–	46	25	8	19	27	26	24	8	33
Supplies	580	–	(22)	74	33	7	33	64	40	9	32
Purchased services and other	1,018	(346)	153	126	47	25	53	165	84	13	61
Interest	54	(1)	13	3	1	2	2	6	7	1	4
Depreciation and amortization	183	–	26	14	7	3	6	17	13	5	12
Total expenses	4,317	(477)	485	401	177	99	201	476	293	66	252
Income from operations	117	1	(95)	14	6	12	3	26	28	–	4
Nonoperating income:											
Investment income	37	(1)	1	3	2	–	1	1	5	–	1
Gain on acquisition and divestitures	399	–	–	–	–	–	–	–	–	–	–
Other nonoperating losses	(9)	–	1	–	–	–	–	–	–	–	–
Total nonoperating income	427	(1)	2	3	2	–	1	1	5	–	1
Excess (deficiency) of revenues over expenses from continuing operations	544	–	(93)	17	8	12	4	27	33	–	5
Less: excess (deficiency) of revenues over expenses from noncontrolling interest	14	–	–	–	–	–	–	(1)	–	–	–
Excess (deficiency) of revenues over expense from controlling interests	$ 530	$ –	$ (93)	$ 17	$ 8	$ 12	$ 4	$ 28	$ 33	$ –	$ 5

See accompanying auditors' report on supplementary information.

Adventist Health Physicians Network	Adventist Health Portland	Adventist Health Reedley	Adventist Health and Rideout	Adventist Health Simi Valley	Adventist Health Sonora	Adventist Health St. Helena	Adventist Health Tehachapi Valley	Adventist Health Tillamook	Adventist Health Ukiah Valley	Adventist Health White Memorial	South Coast Medical Center	Walla Walla General Hospital	Western Health Resources
$ 62	$ 323	$ 169	$ 313	$ 149	$ 257	$ 214	$ 21	$ 86	$ 146	$ 410	$ –	$ –	$ 42
3	3	2	–	–	–	30	–	–	50	37	–	–	–
19	15	7	4	14	10	10	–	2	4	54	–	–	1
–	1	–	–	–	–	1	–	–	–	3	–	–	–
84	342	178	317	163	267	255	21	88	200	504	–	–	43
28	178	68	149	73	106	88	14	45	67	168	–	–	35
51	14	34	44	7	30	29	2	9	30	29	–	–	3
13	47	12	43	18	40	45	1	10	22	58	–	–	1
(9)	91	40	51	52	65	93	8	20	59	162	–	–	5
–	2	–	4	4	1	2	1	–	1	1	–	–	–
1	11	3	20	8	6	8	–	2	3	18	–	–	–
84	343	157	311	162	248	265	26	86	182	436	–	–	44
–	(1)	21	6	1	19	(10)	(5)	2	18	68	–	–	(1)
–	3	1	2	–	3	1	–	1	2	11	–	–	–
–	–	–	399	–	–	–	–	–	–	–	–	–	–
–	–	–	(10)	–	–	–	–	–	–	–	–	–	–
–	3	1	391	–	3	1	–	1	2	11	–	–	–
–	2	22	397	1	22	(9)	(5)	3	20	79	–	–	(1)
–	–	–	14	1	–	–	–	–	–	–	–	–	–
$ –	$ 2	$ 22	$ 383	$ –	$ 22	$ (9)	$ (5)	$ 3	$ 20	$ 79	$ –	$ –	$ (1)

Adventist Health
Consolidating Statements of Operations and Changes in Net Assets (continued)
(In millions of dollars)
Year Ended December 31, 2018

	Consolidated Balances	Adjustments and Eliminations	Adventist Health System Office	Adventist Health Bakersfield	Adventist Health Castle	Adventist Health Clear Lake	Adventist Health Feather River	Adventist Health Glendale	Adventist Health Hanford	Adventist Health Howard Memorial	Adventist Health Lodi Memorial
Net assets without donor restrictions:											
Controlling:											
Excess (deficiency) of revenues over expenses from controlling interests	$ 530	$ –	$ (93)	$ 17	$ 8	$ 12	$ 4	$ 28	$ 33	$ –	$ 5
Net unrealized losses on other-than-trading securities	(55)	–	(54)	–	–	–	–	–	–	–	–
Donated property and equipment	–	–	11	–	–	–	–	–	–	–	–
Net assets released from restrictions for capital additions	13	–	–	–	4	–	–	1	–	–	1
Increase in net assets without donor restrictions before discontinued operations	488	–	(136)	17	12	12	4	29	33	–	6
Loss from discontinued operations	(2)	–	–	–	–	–	–	–	–	–	–
Increase in net assets without donor restrictions – controlling	486	–	(136)	17	12	12	4	29	33	–	6
Noncontrolling:											
Excess (deficiency) of revenues over expenses from noncontrolling interests	14	–	–	–	–	–	–	(1)	–	–	–
Increase in net assets without donor restrictions – noncontrolling	14	–	–	–	–	–	–	(1)	–	–	–
Net assets with donor restrictions:											
Restricted gifts and grants	19	–	9	–	1	–	–	3	–	–	–
Net assets released from restrictions	(24)	–	(2)	–	(5)	–	–	(3)	(1)	–	(1)
Other donor restricted activity	(1)	–	–	–	–	–	–	–	–	–	–
Decrease in net assets with donor restrictions	(6)	–	7	–	(4)	–	–	–	(1)	–	(1)
Increase in net assets	494	–	(129)	17	8	12	4	28	32	–	5
Net assets, beginning of year	2,328	–	(48)	196	177	10	69	128	302	65	69
Net assets, end of year	$ 2,822	$ –	$ (177)	$ 213	$ 185	$ 22	$ 73	$ 156	$ 334	$ 65	$ 74

	Adventist Health Physicians Network	Adventist Health Portland	Adventist Health Reedley	Adventist Health and Rideout	Adventist Health Simi Valley	Adventist Health Sonora	Adventist Health St. Helena	Adventist Health Tehachapi Valley	Adventist Health Tillamook	Adventist Health Ukiah Valley	Adventist Health White Memorial	South Coast Medical Center	Walla Walla General Hospital	Western Health Resources
	$ –	$ 2	$ 22	$ 383	$ –	$ 22	$ (9)	$ (5)	$ 3	$ 20	$ 79	$ –	$ –	$ (1)
	–	–	–	(1)	–	–	–	–	–	–	–	–	–	–
	–	–	–	3	–	–	–	–	–	–	–	–	(14)	–
	–	–	–	–	–	–	3	–	–	4	–	–	–	–
	–	2	22	385	–	22	(6)	(5)	3	24	79	–	(14)	(1)
	–	–	–	–	–	–	–	–	–	–	–	–	(2)	–
	–	2	22	385	–	22	(6)	(5)	3	24	79	–	(16)	(1)
	–	–	–	14	1	–	–	–	–	–	–	–	–	–
	–	–	–	14	1	–	–	–	–	–	–	–	–	–
	–	–	(1)	–	–	1	1	–	–	1	4	–	–	–
	–	(1)	–	–	–	–	(4)	–	–	(4)	(3)	–	–	–
	–	–	–	–	–	–	–	–	–	–	–	–	(1)	–
	–	(1)	(1)	–	–	1	(3)	–	–	(3)	1	–	(1)	–
	–	1	21	399	1	23	(9)	(5)	3	21	80	–	(17)	(1)
	–	191	63	–	41	150	122	(1)	52	108	611	(3)	18	8
	$ –	$ 192	$ 84	$ 399	$ 42	$ 173	$ 113	$ (6)	$ 55	$ 129	$ 691	$ (3)	$ 1	$ 7