The Medical Center of Central Georgia, Inc. d/b/a The Medical Center, Navicent Health

Consolidated Financial Statements and Supplementary Information

Years Ended September 30, 2018 and 2017

DIXON HUGHES GOODMAN LLP

Table of Contents

DIXON HUGHES GOODMAN LLP

Independent Auditors' Report

Board of Directors
The Medical Center of Central Georgia, Inc.
d/b/a The Medical Center, Navicent Health
Macon, Georgia

We have audited the accompanying consolidated financial statements of The Medical Center of Central Georgia, Inc. d/b/a The Medical Center, Navicent Health (the "Medical Center"), which comprise the consolidated balance sheets as of September 30, 2018 and 2017, and the related consolidated statements of operations, 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 consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

DIXON HUGHES GOODMAN LLP

Opinion
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Medical Center as of September 30, 2018 and 2017, and the results of its operations and changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information referred to in the table of contents is presented for purposes of additional analysis rather than to present the financial position, results of operations, and cash flows of the individual affiliated entities, and is not a required part of the consolidated 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 consolidated financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit 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 consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Dixon Hughes Goodman LLP

Atlanta, Georgia
July 22, 2019

The Medical Center of Central Georgia, Inc.
d/b/a The Medical Center, Navicent Health
Consolidated Balance Sheets (dollars in thousands)
September 30, 2018 and 2017

	2018	2017
ASSETS		
Current assets:		
Cash and cash equivalents	$ 2,828	$ 9,864
Short-term investments	635,436	625,909
Patient accounts receivable, less allowance for uncollectible accounts of $62,533 and $91,802 in 2018 and 2017, respectively	130,509	139,522
Estimated third-party payor settlements	11,335	21,897
Other accounts and notes receivable	4,614	10,845
Prepaid expenses and other current assets	21,201	18,604
Total current assets	805,923	826,641
Long-term investments	15,389	45,499
Property and equipment, net	391,194	330,796
Due from related parties, net	72,408	35,618
Cash surrender value of insurance policies	26,880	25,671
Other	890	743
Total assets	$ 1,312,684	$ 1,264,968

See accompanying notes.

Consolidated Balance Sheets (dollars in thousands), continued

	2018	2017
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	**$ 28,642**	$ 47,050
Accrued compensation and withholdings	**16,271**	18,190
Current portion of long-term debt	**4,600**	8,900
Other current liabilities	**13,757**	9,252
Total current liabilities	**63,270**	83,392
Long-term debt, excluding current portion	**266,834**	168,793
Accrued pension benefit liability	**46,086**	77,444
Other long-term liabilities	**31,161**	43,393
Total liabilities	**407,351**	373,022
Net assets:		
Unrestricted net assets - controlling interest	**904,667**	891,413
Noncontrolling interest in subsidiary	**666**	533
Total net assets	**905,333**	891,946
Total liabilities and net assets	**$ 1,312,684**	$ 1,264,968

See accompanying notes.

The Medical Center of Central Georgia, Inc.
d/b/a The Medical Center, Navicent Health
Consolidated Statements of Operations (dollars in thousands)
Years Ended September 30, 2018 and 2017

	2018	2017
Unrestricted revenues, gains, and other support:		
Patient service revenue (net of contractual allowances and discounts)	**$ 715,215**	$ 673,878
Provision for bad debts	**(69,639)**	(113,333)
Net patient service revenue less provision for bad debts	**645,576**	560,545
Other revenue	**22,428**	23,923
Total unrestricted revenues, gains, and other support	**668,004**	584,468
Expenses:		
Labor and employee benefits	**274,688**	268,961
Supplies and other expenses	**375,084**	338,147
Depreciation and amortization	**27,211**	29,972
Interest	**3,734**	6,510
Total expenses	**680,717**	643,590
Loss from operations	**(12,713)**	(59,122)
Other income (loss):		
Investment income	**20,122**	26,669
Change in fair value of interest rate swap	**3,548**	4,797
Nonoperating gain (loss)	**8,148**	(3,151)
Total other income	**31,818**	28,315
Excess of unrestricted revenues, gains, and other support over (under) expenses	**19,105**	(30,807)
Gain attributable to noncontrolling interest	**(639)**	(659)
Excess of unrestricted revenues, gains, and other support over (under) expenses, attributed to controlling interest	**$ 18,466**	$ (31,466)

See accompanying notes.

The Medical Center of Central Georgia, Inc.
d/b/a The Medical Center, Navicent Health
Consolidated Statements of Changes in Net Assets (dollars in thousands)
Years Ended September 30, 2018 and 2017

	2018	2017
Unrestricted net assets, controlling interest:		
Excess of unrestricted revenues, gains, and other support over (under) expenses, attributed to controlling interest	**$ 18,466**	$ (31,466)
Net unrealized gains on investments	**20,996**	9,699
Change in pension plan and post retirement health care plan funded status	**36,450**	21,797
Transfer to affiliate	**2,492**	1,603
Equity transfers to affiliates	**(65,150)**	(39,644)
Increase (decrease) in unrestricted net assets, controlling interest	**13,254**	(38,011)
Unrestricted net assets, noncontrolling interest:		
Excess of unrestricted revenues, gains, and other support over expenses	**639**	659
Distribution to noncontrolling interest	**(506)**	(598)
Increase in unrestricted net assets, noncontrolling interest	**133**	61
Increase (decrease) in net assets	**13,387**	(37,950)
Net assets at beginning of year	**891,946**	929,896
Net assets at end of year	**$ 905,333**	$ 891,946

See accompanying notes.

The Medical Center of Central Georgia, Inc.
d/b/a The Medical Center, Navicent Health
Consolidated Statements of Cash Flows (dollars in thousands)
Years Ended September 30, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Increase (decrease) in net assets	**$ 13,387**	$ (37,950)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Transfers to affiliates	**65,150**	39,644
Net realized and unrealized gains on investments	**(29,238)**	(24,596)
Change in pension plan and post retirement health care plan funded status	**(36,450)**	(21,797)
Change in fair value of interest rate swap	**(3,548)**	(4,797)
Depreciation and amortization	**27,211**	29,972
Loss on disposal of property and equipment	**-**	811
Changes in operating assets and liabilities:		
Patient accounts receivable, net	**9,013**	78,954
Due from related parties	**(36,790)**	1,871
Prepaid expenses and other current assets	**3,075**	(5,260)
Accounts payable and accrued expenses	**(18,408)**	27,598
Accrued compensation and withholdings	**(1,919)**	(5,528)
Estimated third-party payor settlements	**10,562**	(15,870)
Other current liabilities	**4,505**	(2,349)
Supplemental benefit plan	**(1,209)**	(1,979)
Accrued pension benefit liability	**(2,834)**	(9,291)
Other long-term liabilities	**(758)**	1,240
Net cash provided by operating activities	**1,749**	50,673
Cash flows from investing activities:		
Purchase of property and equipment	**(87,197)**	(36,342)
Proceeds from sales of investments, net	**49,821**	13,609
Net cash used in investing activities	**(37,376)**	(22,733)
Cash flows from financing activities:		
Principal payments	**-**	(8,398)
Proceeds from bond refunding	**230,000**	-
Payment to refund long-term debt	**(177,572)**	-
Proceeds from bank term loans	**41,726**	-
Debt issuance costs	**(413)**	-
Transfers to affiliates	**(65,150)**	(39,644)
Net cash provided by (used in) financing activities	**28,591**	(48,042)
Net change in cash and cash equivalents	**(7,036)**	(20,102)
Cash and cash equivalents at beginning of year	**9,864**	29,966
Cash and cash equivalents at end of year	**$ 2,828**	$ 9,864

See accompanying notes.

Notes to Consolidated Financial Statements

1. Organization and General

The Medical Center of Central Georgia, Inc. d/b/a The Medical Center, Navicent Health (the “Medical Center” or “MCNH”) is a nonprofit medical center whose primary purpose is to provide inpatient, outpatient, physician care, home care, emergency, and other health care related services to the central Georgia community. The Medical Center operates the Doctors Office Building (“DOB”) and the Hospice of Central Georgia (“Hospice”). The consolidated financial statements also include the operations of Central Georgia PET, LLC (“PET”), a 66.7% equity investment. Included in unrestricted net assets at September 30, 2018 and 2017, are $666,000 and $533,000, respectively, representing the noncontrolling interest in PET.

Central Georgia Health Systems, Inc. was incorporated on November 17, 1994. During 2014 Central Georgia Health Systems, Inc. began doing business as Navicent Health. During 2015, Central Georgia Health Systems, Inc. officially changed its name to Navicent Health, Inc.

The Medical Center is a controlled affiliate of Navicent Health, Inc. (“Navicent Health”). Navicent Health is a nonprofit corporation whose primary purpose is to serve as a controlling body for the Medical Center and other affiliated entities in supporting their mission of coordinating the functions of individual corporate providers of a comprehensive range of high quality, reasonably priced health care services to the central Georgia community.

The Medical Center leases certain assets from the Macon-Bibb County Hospital Authority (the “Authority”) for a term of thirty (30) years. Pursuant to the lease agreement dated February 14, 1995, effective October 1, 1995, substantially all assets of the Authority were transferred to the Medical Center and substantially all liabilities and operating responsibilities of the Authority were assumed by the Medical Center. Pursuant to an Amended and Restated Lease Agreement effective August 30, 2018, the lease was extended for a new term of forty years, with automatic renewal every five years for a new term of forty (40) years. In addition, the Medical Center pays bond indebtedness, the related interest thereon, and certain other expenses of the Authority. At the expiration or termination of the agreement, all assets of the Medical Center and certain interests of affiliated entities shall be distributed, subject to such debt or other liabilities as may be applicable, to the Authority.

Stratus Healthcare

MCNH is a member of Stratus Healthcare (“Stratus”) an alliance of 15 hospitals and 9 health systems. Stratus is a collaborative partnership of hospitals, the largest of its kind in the Southeast, in central and South Georgia that has formed to create a network of hospitals, health care systems and physicians. Members of the Stratus alliance will work together to exchange best practices, combine resources, develop coordinated information systems, reduce costs and manage the health of populations, providing the Federal healthcare reform will require that medical care be reimbursed based on a fee-for-value framework rather than the fee-for-service model used in the past.

The Charlotte – Mecklenburg Hospital Authority d/b/a Atrium Health (“Atrium Health”)

In February 2018, Navicent Health signed a Letter of Intent with Atrium Health to enter a strategic combination to enhance access, affordability, and equity of care for individuals and families in central and south Georgia. In December 2018, Atrium Health and Navicent Health signed an Agreement and Member Substitution (“Agreement”), effective January 1, 2019, pursuant to which AHNH Georgia, Inc., a newly-formed controlled affiliate of Atrium Health, became the sole corporate member of Navicent Health. Through this Agreement, Navicent Health (excluding the Foundation) will become a regional hub in, and an integral part of, the Atrium Health system. Under terms of the agreement, Navicent Health (excluding the Foundation) retains and appoints a majority of its Board of Directors, but Atrium Health holds customary approval rights, including approving Navicent Health budgets and any borrowings or discharge of Navicent Health debt. In addition, Atrium Health agrees to ensure that Navicent Health does not default under any indebtedness agreements, notes or bonds, or other debt-related liabilities. Atrium Health has committed to make certain capital expenditures at Navicent Health facilities that will equal at least $1 billion over the first 10 years following the combination. The source of the funds for these expenditures will include Navicent Health's existing cash and cash flows from the operations of Navicent Health following the closing of the transaction, but Atrium Health has committed to fund $425 million of the total capital commitment.

2. Significant Accounting and Reporting Policies

A summary of the significant accounting and reporting policies followed by MCNH in the preparation of its consolidated financial statements is presented below:

Accounting Standards

MCNH follows accounting standards set by the Financial Accounting Standards Board, commonly referred to as the "FASB." The FASB sets accounting principles generally accepted in the United States of America ("GAAP") that MCNH follows to ensure consistent reporting of its financial condition, results of operations, and cash flows. References to GAAP issued by the FASB in these footnotes are to the *FASB Accounting Standards Codification,* sometimes referred to as the "Codification" or "ASC". Updates to the Codification are referred to as Accounting Standard Updates ("ASU").

Principles of Consolidation

The consolidated financial statements include the accounts of MCNH, DOB, Hospice and PET. All significant intercompany transactions and accounts have been eliminated in consolidation.

Fair Value Measurements

GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs in measuring fair value, and GAAP establishes a three-level hierarchy that prioritizes the inputs used to measure fair value. The three levels of inputs used to measure fair value are as follows:

Level 1

Quoted prices in active markets for identical assets or liabilities such as debt and equity securities, mutual funds, and money market accounts that are traded in an active market, and other cash equivalents. Level one investments include common stocks, equity mutual funds and money market funds that are traded in an active market.

Level 2

Observable inputs other than level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. MCNH's level two investments include corporate bonds, U.S. government obligations, and asset and mortgage backed securities. MCNH utilizes a third-party pricing service to determine the fair value of each of these investment securities. Because quoted prices in active markets for identical assets are not available, these prices are determined using observable market information such as quotes from less active markets and/or quoted prices of securities with similar characteristics.

Level 3

Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. MCNH's level three investments include limited liability partnerships and limited liability companies. The fair value for these investments is determined by applying MCNH's ownership percentage to the net asset value of the investment fund. Underlying investments of the funds include hedge funds, real estate funds, mortgage backed securities, asset backed securities and global equity fund of funds.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, deposits with banks and investments in highly liquid debt instruments with maturities of three months or less when purchased, excluding assets limited as to use. From time to time, MCNH deposits at banks exceed the Federal Deposit Insurance Corporation insurance limit. By policy, the amount of credit exposure to any one institution is limited, and such investments are generally not collateralized.

Investments

Investments in marketable equity securities and all investments in debt securities are stated at fair value in the consolidated balance sheets. All investments have been designated by management to be other than trading securities. Investment income or loss (including net realized gains and losses on investments, interest, dividends, and other-than-temporary impairment in investments) is included in the excess of unrestricted revenues, gains, and other support over expenses unless the income or loss is restricted by donor or law. Unrealized gains and losses on investments are excluded from the excess of unrestricted revenues, gains, and other support over expenses.

Management evaluates individual securities to ascertain whether other-than-temporary impairment ("OTTI") has occurred. Management considers several factors including when the security might recover in value, declines in market value below 80% of the original cost for a period in excess of a year, and whether or not management intends to hold the respective security until the anticipated recovery in value occurs. No OTTI was recognized during 2018 or 2017.

Patient Accounts Receivable

Patient accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, MCNH analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, MCNH analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary.

For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), MCNH records a provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts. Recoveries of accounts previously written off are recorded as a reduction to the provision for bad debt expense when received.

Reclassification

Certain items in the 2017 consolidated financial statements have been reclassified to conform to the presentation in the 2018 consolidated financial statements.

Allowance for Uncollectible Accounts

The allowance for uncollectible accounts is based upon management's assessment and consideration of historical and expected net collections, business and economic conditions, trends in health care coverage, and other collection indicators. Periodically, management assesses the adequacy of the allowance for uncollectible accounts based upon historical write-off experience by payor category. The results of this review are then used to make any modifications to the provision for bad debts to establish an appropriate allowance for uncollectible accounts. MCNH's allowance for doubtful accounts for self-pay patients was 96% and 98% of self-pay accounts receivable at September 30, 2018 and 2017, respectively.

Inventory

Inventory is included as a component of other current assets on the consolidated balance sheets, and it consists primarily of medical supplies that are stated principally at the lower of average cost or market.

Property and Equipment

Property and equipment acquisitions are recorded on the basis of cost. Expenditures for maintenance and repairs are charged to expense. Expenditures that materially increase the value of property and equipment or extend useful lives are capitalized as a cost of the applicable property and equipment. MCNH removes the costs and related allowances from the accounts for properties sold or retired.

Property and equipment are depreciated using straight-line methods over their estimated economic lives. Useful lives range from 5 to 25 years for land improvements, 20 to 40 years for buildings and improvements, and 3 to 15 years for equipment.

Long-Lived Assets

Periodically, reviews are performed of long-lived assets, including property, equipment, and goodwill, to determine whether impairments exist. Management believes that the long-lived assets in the accompanying balance sheets are appropriately valued at September 30, 2018 and 2017.

Vacation Policy

Employee vacation pay is accrued when earned by the employee and is recorded within accrued compensation and withholdings on the consolidated balance sheets.

Net Patient Service Revenue, Less Provision for Bad Debts

Net patient service revenue, less provision for bad debts, is reported at the estimated net realizable amounts due from patients, third-party payors, and others for services rendered, 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 and adjusted in future periods as final settlements are determined.

MCNH's revenues may be subject to adjustment as a result of examination by government agencies or contractors, and as a result of differing interpretation of government regulations, medical diagnosis, charge coding, medical necessity, or other contract terms. The resolution of these matters, if any, often is not finalized until subsequent to the period during which the services were rendered.

Operating and Nonoperating Activities

MCNH's primary purpose is to provide diversified health care services to the community. As such, activities related to the ongoing operations of MCNH are classified as operating activities. Operating revenues include those generated from direct patient care, related support services, and sundry revenues related to the operation of MCNH. Activities not directly related to the ongoing operations of MCNH, or that occur infrequently, are reported as other revenue. Included in other revenue are activities related to parking, grant revenues, and other miscellaneous revenues. In addition, gains or losses from disposition of operating properties, earnings on interest bearing deposits, changes in the fair value of the interest rate swap, interest on nonoperating investments, dividends and realized gains and losses on investments, and marketable securities that are used to support health related activities are reported as other income.

Charity Care

MCNH provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. MCNH accepts all patients regardless of their ability to pay. Because MCNH does not pursue collection of amounts determined to qualify as charity care, such amounts are excluded from net patient service revenue. Partial payments to which MCNH is entitled from public assistance programs on behalf of patients that meet MCNH's charity care criteria are reported as net patient service revenue.

MCNH, under its financial assistance and uninsured discount policies, provides care without charge or at discounted rates to all uninsured patients, including any uninsured patient who experiences catastrophic-related illness or injury. Key elements used to determine eligibility for financial assistance include a patient's demonstrated inability to pay based on family size and household income relative to Federal income poverty guidelines. Amounts determined to qualify as financial assistance are not reported as net patient service revenue. The estimated cost of services of charity care provided under MCNH's financial assistance policy is estimated by applying a cost to charge ratio to the amount of applicable charges foregone. These costs amount to approximately $44,479,000 and $35,148,000 for 2018 and 2017, respectively.

Unrestricted Revenues, Gains, and Other Support Over (Under) Expenses

The consolidated statements of operations include unrestricted revenues, gains, and other support over (under) expenses. Changes in unrestricted net assets which are excluded from unrestricted revenues, gains, and other support over (under) expenses, consistent with industry practice, include unrealized gains and losses on investments other than trading securities, permanent transfers of assets to and from affiliates for other than goods and services, changes in unfunded pension and postretirement plan gains and losses, and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets).

Gifts, Contributions, and Grants

Gifts, contributions, and grants are recorded at market value as of the date of receipt. Noncash items are recorded at market value on the date of the gift. Contributions restricted by the donor are recorded in restricted net assets at market value on the date of the contribution.

Income Taxes

MCNH is an organization exempt from federal income tax, pursuant to Section 501(a), as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and state income tax. PET is organized under Georgia law and the Internal Revenue Code as a limited liability company ("LLC"). The members of an LLC report taxable income or loss on their corporate or individual tax returns. MCNH's share of income from PET operations is not considered unrelated business income ("UBI") and is therefore not subject to tax. MCNH and its affiliates have evaluated their tax positions and have determined that they do not have any material unrecognized tax benefits or obligations as of September 30, 2018.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Asset Retirement Obligations

A conditional asset retirement obligation is an unconditional legal obligation to perform an asset retirement activity in which the timing and (or) method of settlement are conditional on a future event that may or may not be within the control of the entity. MCNH recognizes a liability for the fair value of a conditional asset retirement obligation if the fair value of the liability can be reasonably estimated.

Cash Surrender Value of Insurance Policies

MCNH previously had a supplemental executive benefit program ("SEBP") for current and retired executives ("Executive" or "Executives") that was designed to protect against the loss of key employees. MCNH paid premiums on insurance policies for each Executive in the plan. During 2009, MCNH suspended the SEBP program and stopped making further premium payments on the insurance policies.

MCNH continues to retain an assigned interest in the life insurance policies. The cash surrender value of the policies amounted to approximately $26,880,000 and $25,671,000 at September 30, 2018 and 2017, respectively, and these amounts are included as a long-term asset in the consolidated balance sheets.

Pension Plan and Postretirement Health Care Benefits

MCNH sponsors a defined benefit pension plan and a postretirement health care plan. MCNH recognizes the overfunded and underfunded status of the defined benefit pension and postretirement plans in its balance sheets. Changes in the funded status are recorded in the year in which the changes occurred through changes in unrestricted net assets. Plan assets and benefit obligations are measured as of the date of the fiscal year-end balance sheet.

Interest Rate Swap

MCNH utilizes an interest rate swap to manage the variability in interest rates on certain of its variable rate debt. Derivative instruments are required to be reported at fair value as either assets or liabilities in the balance sheet. The accounting for changes in the fair value (i.e., gains or losses) of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship and, further, on the type of hedging relationship. For those derivative instruments that are designated and qualify as hedging instruments, an entity must designate the hedging instrument, based upon the exposure being hedged. For derivative instruments not designated as hedging instruments, the changes in fair value are recognized in the performance indicator.

The performance indicator (excess of unrestricted revenues, gains, and other support over expenses) reported by not-for-profit healthcare organizations is analogous to income from continuing operations of a for-profit enterprise. MCNH does not account for the interest rate swap under hedge accounting, and, accordingly, changes in the value of the swap are recorded above the performance indicator. Due to the uncertainty inherent in the valuation process, such estimates of fair value may differ significantly from the values that would have been used had a ready market for the securities existed.

Subsequent Events

MCNH evaluated the effect subsequent events would have on the consolidated financial statements from October 1, 2018 through July 22, 2019, which is the date the consolidated financial statements were available to be issued. All reportable subsequent events have been incorporated in the consolidated financial statements.

3. Net Patient Service Revenues

A summary of payment arrangements with major third-party payors follows:

Medicare

Medicare inpatient and outpatient services, with certain limited exceptions, are based on a prospective reimbursement methodology referred to as the Prospective Payment System ("PPS") for inpatients and Ambulatory Payment Classifications ("APCs") for outpatients. Under PPS, a hospital is reimbursed at predetermined rates for an episode of care based on diagnosis-related groups ("DRGs") for inpatients and APCs for outpatients, which classify treatments for illnesses according to the estimated intensity of hospital resources necessary to furnish care for each diagnosis. As a teaching hospital, MCNH receives payments for training physicians and other medical professionals (graduate medical education or GME payments). These payments are in two different forms, direct medical education ("DME") and indirect medical education ("IME") payments. DME payments support the direct costs of training while IME payments support the higher infrastructure that teaching hospitals incur relating to teaching, and higher patient acuity. As a hospital serving a disproportionate share of low-income patients (Medicare and Medicaid patients eligible to receive supplemental Social Security income), MCNH also receives additional payments in the form of disproportionate share payments.

MCNH is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of an annual cost report and audits thereof by the Medicare fiscal intermediary. MCNH's classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization. MCNH's cost reports have been audited and final settled by the Medicare fiscal intermediary through September 30, 2009.

Medicaid

Inpatient services rendered to Medicaid program beneficiaries are reimbursed under a diagnostic related group-based methodology that is not subject to retroactive settlement. Outpatient services are paid on a cost reimbursement methodology subject to certain limits. Services rendered under this program are recorded at established rates and reduced to the estimated amount due from the third-party payors through recording of contractual adjustments and other discounts. Because MCNH cannot pursue collections for the contractual or discounted amounts, they are not reported as revenue.

Beginning June 1, 2006, Georgia Medicaid moved a significant portion of its recipients to managed care companies called Care Management Organizations ("CMO"). Contractual payments are made by the CMO for services provided using the same methodology and payment rates as traditional Medicaid. MCNH's cost reports have been audited and final settled by the Medicaid fiscal intermediary through September 30, 2015.

Managed Care and Other Payors

MCNH has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payments to MCNH under these agreements include prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

Net patient service revenues are reported at the estimated net realizable amounts from third-party payors and others for services rendered, 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 and are adjusted in future periods as interim or final settlements are determined. In the opinion of management, adequate provisions have been made for any adjustments that may result from such reviews. However, it is reasonably possible that recorded estimates will change by material amounts in the near term. Net patient service revenue decreased approximately $1,321,000 and increased approximately $5,073,000 for 2018 and 2017, respectively, due to changes in amounts previously estimated as a result of final settlements and changes in estimates.

(tabular amounts in thousands)

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. MCNH believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing that would have a material effect on the consolidated financial statements. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs.

Gross patient service charges and net patient service revenues for the years ended September 30 include:

	2018	2017
Gross patient service charges	**$ 2,679,368**	$ 2,488,000
Contractual adjustments	**1,779,182**	1,666,880
Charity care:		
Charity care charges	**184,384**	143,768
County contributions from tax revenue	**(339)**	(452)
Net charity care	**184,045**	143,316
Other adjustments	**926**	3,926
Total contractual and other adjustments	**1,964,153**	1,814,122
Patient service revenue (net of contractual allowances and discounts)	**715,215**	673,878
Less provision for bad debts	**69,639**	113,333
Net patient service revenue, less provision for bad debts	**$ 645,576**	$ 560,545

Indigent Care Trust Fund

Under the provisions of the Georgia Indigent Care Trust Fund Act ("ICTF"), Medicaid disproportionate share hospitals ("DSH") may contribute funds to be used by the State in the Medicaid program and which will be supplemented by federal funds (combination dollars). The combination dollars are returned to DSH as additional Medicaid inpatient reimbursement.

Amounts recorded in patient service revenue (net of contractual allowances and discounts) in the consolidated financial statements related to the ICTF are summarized approximately as follows:

	2018	2017
Amounts received from the ICTF	**$ 3,266**	$ 3,357
Contribution to ICTF	**810**	1,078
Excess received over contribution	**$ 2,456**	$ 2,279

(tabular amounts in thousands)

Upper Payment Limit

Under the provisions of the Georgia Upper Payment Limit Rate adjustments ("UPL"), government owned or operated hospitals, nursing homes, and critical access eligible hospitals may contribute funds to be used by the state in the Medicaid program, which will be supplemented by federal funds (combination dollars).

Amounts recorded in the consolidated financial statements related to the UPL are summarized approximately as follows:

	2018	2017
Amounts received from UPL	$ **10,503**	$ 6,013
Contributions to UPL	**3,328**	2,928
Excess received over contribution	$ **7,175**	$ 3,085

Net amounts received under the ICTF and UPL programs are recorded in net patient service revenue.

4. Investments

Investments and assets limited to use at September 30 as are summarized as follows:

	2018	2017
Short-term investments:		
Money market funds	$ **25,168**	$ 16,903
Equity securities	**228,212**	238,578
Alternative investments	**252,555**	237,044
Asset backed securities	**41,703**	44,782
U.S. Treasury obligations and other government backed securities	**55,141**	63,282
Corporate bonds	**32,657**	25,320
	$ **635,436**	$ 625,909
Long-term alternative investments	$ **15,389**	$ 45,499

Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, the possibility is reasonable that changes in the values of investment securities will occur in the near term and that these changes could materially affect the amounts reported in the consolidated balance sheets.

MCNH invests in alternative investments that are defined as venture capital, international and domestic private equity investments, and absolute return (hedge) funds. Long-term investments are alternative investment funds, primarily comprised of real estate funds that require seven to ten-year fund terms before the investments can be liquidated.

The recorded market price for alternative investments is estimated by the individual investment manager taking into account such factors as the financial condition of each investee, economic and market conditions affecting their operations, any changes in management, the length of time since the initial investment, recent transactions involving the securities of the investee, the value of similar securities issued by companies in the same or similar businesses, and limited marketability of the portfolio.

(tabular amounts in thousands)

Valuations provided by the general partners and investment managers are evaluated by management through accounting and financial reporting processes to review and monitor existence and valuation assertions. Due to the inherent uncertainty of valuation of the alternative investments, the fair values estimated by the individual investment manager, in the absence of readily ascertainable market values, may not necessarily represent the amounts that could be realized from sales or other dispositions of investments, and the differences may be material.

Investment income for assets limited as to use and short-term and long-term investments for the year ended September 30 includes:

	2018	2017
Investment income:		
Interest and dividends	**$ 11,880**	$ 11,772
Realized gains	**8,242**	14,897
	$ 20,122	$ 26,669
Other changes in unrestricted net assets:		
Unrealized gains on investments, other than trading securities	**$ 20,996**	$ 9,699

5. Property and Equipment

Property and equipment consisted of the following at September 30:

	2018	2017
Property and equipment:		
Land and land improvements	**$ 25,457**	$ 24,929
Buildings and improvements	**384,705**	384,307
Parking deck	**46,473**	46,473
Movable equipment	**326,639**	319,519
Fixed equipment	**101,736**	100,708
	885,010	875,936
Less accumulated depreciation	**634,679**	607,752
	250,331	268,184
Construction-in-progress	**140,863**	62,612
	$ 391,194	$ 330,796

Depreciation expense for the years ended September 30, 2018 and 2017 amounted to approximately $26,799,000 and $29,551,000, respectively.

(tabular amounts in thousands)

6. Long-Term Debt

MCNH, Navicent Health, Medcen Community Health Foundation, Inc. d/b/a Navicent Health Foundation ("The Foundation"), and Health Services of Central Georgia, Inc. d/b/a Navicent Health Physician Group ("NHPG"), a controlled affiliate of Navicent Health, comprise the Obligated Group. A summary of long-term debt of MCNH at September 30 is as follows:

	2018	2017
Term Loan issued in December 2017, variable interest rates, 1.50% at September 30, 2018, due in December 2027; collateralized by the gross revenues of the Obligated Group	**$ 39,970**	$ -
Revenue Anticipation Certificates, Series 2017A for MCNH variable interest rates, 2.28% at September 30, 2018, due in varying installments to 2045; collateralized by the gross revenues of the obligated group	**40,000**	-
Revenue Anticipation Certificates, Series 2017B for MCNH variable interest rates, 2.28% at September 30, 2018, due in varying installments to 2042; collateralized by the gross revenues of the obligated group	**190,000**	-
Taxable loan, variable interest rate, 2.18% at September 30, 2017, refunded in December 2017	**-**	39,868
Revenue Anticipation Certificates, Series 2012A issued in January 2012, variable interest rate, 1.81% at September 30, 2017, refunded in December 2017	**-**	2,600
Revenue Anticipation Certificates, Series 2012B issued in January 2012, variable interest rate, 1.81% at September 30, 2017, refunded in December 2017	**-**	8,600
Revenue Anticipation Certificates, Series 2012C issued in January 2012, variable interest rate, 1.91% at September 30, 2017, refunded in December 2017	**-**	11,100
Revenue Anticipation Certificates, Series 2012D issued in January 2012, variable interest rate, 1.36% at September 30, 2017, refunded in December 2017	**-**	26,170
Revenue Anticipation Certificates, Series 2009 issued in September 2009, fixed interest rates ranging between 4% and 5%, refunded in December 2017	**-**	80,758
Revenue Anticipation Certificates, Series 2016 variable interest rates, 1.29% at September 30, 2017, due in varying installments to 2026; collateralized by the gross revenues of the Obligated Group	**-**	9,260
Other	**1,756**	-
	271,726	178,356
Less current portion	**4,600**	8,900
Less unamortized bond issuance costs	**292**	663
	$ 266,834	$ 168,793

Effective December 1, 2017, the Macon-Bibb County Hospital Authority issued the $40,000,000 Series 2017A Certificates and the $200,000,000 Series 2017B Certificates. The proceeds of the Series 2017 Certificates were loaned to MCNH for the purpose of refunding the Macon-Bibb County Hospital Authority Revenue Anticipation Certificates (The Medical Center of Central Georgia Project) Series 2015 Certificates-MCNH, Series 2015 Certificates-CP, Series 2012A Certificates, Series 2012B Certificates, Series 2012C Certificates, Series 2012D Certificates, and Series 2009 Certificates and financing and reimbursing the cost of construction on the project. The Series 2017A Certificates and Series 2017B Certificates are subject to mandatory sinking fund redemption at a redemption price equal to the principal amount of each Bond to be redeemed plus accrued interest to the date fixed for redemption until maturity on August 1, 2045 and August 1, 2042, respectively. Interest is calculated based on one-month LIBOR. The series 2017A Certificates have been purchased by a financial institution with a 10-year holding period that expires on December 31, 2027, prior to maturity of the certificates. The Series 2017B Certificates have been purchased by a financial institution with a 2-year holding period that expires on December 31, 2019, prior to the maturity of the certificates.

Effective December 1, 2017, MCNH entered into a taxable loan in an amount up to $60,000,000. The proceeds of the loan were used to payoff the remaining balance of the taxable loan issued in 2012 as well as the term loan issued in 2017. The note requires monthly interest payments at the adjusted LIBOR rate beginning February 1, 2018. The full principal balance is due upon maturity of the loan on December 31, 2027.

On May 1, 2015, the Macon-Bibb County Hospital Authority issued $11,860,000 Macon-Bibb County Hospital Authority Revenue Anticipation Certificates (The Medical Center of Central Georgia, Inc. Project), Series 2015 ("Series 2015 Certificates"). The proceeds of the Series 2015 Certificates were loaned to MCNH for the purpose of refunding the Macon-Bibb County Hospital Authority Revenue Anticipation Certificates (The Medical Center of Central Georgia Project) Series 2003A Certificates that were issued July 1, 2003 for the purpose of refunding the Series 1993A and 1993C Certificates and financing and reimbursing the cost of construction on the project.

On January 1, 2012, MCNH entered into a taxable note in the amount up to $50,000,000. The note requires monthly interest payments at the adjusted LIBOR rate. Principal payments were due annually beginning September 1, 2020 with a final principal payment due July 31, 2023.

On January 31, 2012, the Authority issued $48,700,000 Macon-Bibb County Hospital Authority Revenue Anticipation Certificates (The Medical Center of Central Georgia, Inc. Project), Series 2012A, Series 2012B, and Series 2012C ("Series 2012 Certificates"). The proceeds of the Series 2012 Certificates were loaned to MCNH for the purpose of refunding Series 1997, Series 1998, and Series 2003B Certificates ("Prior Bonds"), respectively.

In addition, on January 31, 2012, the Authority issued $26,170,000 Macon-Bibb County Hospital Authority Revenue Anticipation Certificates (The Medical Center of Central Georgia, Inc. Project), Series 2012D to finance the construction of the Peach Medical Center hospital facility.

In September 2009, the Authority issued $80,800,000 Macon-Bibb County Hospital Authority Revenue Anticipation Certificates (The Medical Center of Central Georgia, Inc. Project), Series 2009 Certificates ("Series 2009 Certificates"). The proceeds of the Series 2009 Certificates were loaned to MCNH to (i) payoff two bank loans totaling $80,000,000 obtained during 2009 that had been used to redeem the Series 2005 Certificates, and (ii) pay the costs of issuing the Series 2009 Certificates.

MCNH guarantees payment of the 2017 Revenue Anticipation Certificates (collectively, the "Certificates") to the Macon-Bibb County Hospital Authority in the form of a lease and transfer agreement. The Master Trust Indenture (the "Indenture") for the Certificates, as amended includes all members of the Obligated Group under the provisions of the Agreement. To secure prompt payment of principal and interest on the Certificates and secure performance of its obligation, the Obligated Group granted a security interest in its gross revenues (as more fully defined in the Indenture) and in all its property. The Obligated Group is subject to certain covenants, including limitations on additional indebtedness, transfers of assets, maintenance of certain amounts of insurance, and certain other financial covenants under the terms of the Indenture.

(tabular amounts in thousands)

Interest paid in 2018 and 2017 totaled approximately $3,873,000 and $6,510,000, respectively.

For the year ended September 30, 2018, MCNH did not meet the minimum debt service coverage ratio requirement of 1.1 under the Indenture and related Covenant and Loan Agreement dated December 1, 2017. Subsequent to year-end, MCNH obtained a waiver from the bank related to its covenant violation at September 30, 2018. The waiver is limited to the violation of the debt service coverage ratio covenant.

Original principal maturities of long-term debt are as follows:

Years ended September 30,	
2019	$ 4,600
2020	4,578
2021	4,806
2022	5,044
2023	5,300
Thereafter	247,398
	$ 271,726

7. Interest Rate Swap

MCNH has an interest rate swap agreement relating to a portion of the $52,000,000 Series 2005 Revenue Anticipation Bonds (“2005 Series”). Although the 2005 Series was refinanced during 2009, the interest rate swap agreement remains intact. The interest rate swap, which expires on August 1, 2035 and has a mandatory exercise date of May 1, 2021, requires MCNH to make fixed-rate interest payments of 3.2% on a monthly basis in return for receiving a monthly variable-rate interest payment equal to 67% of LIBOR, which was 1.52% at September 30, 2018. The fair value of MCNH's interest swap was a liability of approximately $5,442,000 and $8,990,000 at September 30, 2018 and 2017, respectively. These amounts are included in other long-term liabilities in the accompanying consolidated balance sheets. The fair value of the interest rate swap liability decreased approximately $3,548,000 and $4,797,000 for the years ended September 30, 2018 and 2017, respectively.

(tabular amounts in thousands)

8. Postretirement Benefit Plans

Defined Benefit Pension Plan

Navicent Health has a noncontributory defined benefit pension plan ("pension plan") covering substantially all employees of MCNH. The benefits are based on years of service and the employee's highest compensation during three of the employee's last ten years of service. Navicent Health's funding policy is to contribute amounts to the plan sufficient to meet the minimum funding requirements set forth in the Employee Retirement Income Security Act of 1974, plus any additional amounts Navicent Health may determine to be appropriate.

The Board of Directors of Navicent Health approved a redesign of the pension plan that was effective on January 1, 2008. The changes included freezing the plan as of December 31, 2007, with the plan closed to any new participants and all participants at December 31, 2007 remaining in the plan. Plan participants under the age of 40 on January 1, 2008 no longer accumulate benefits.

During 2013, the Board approved an amendment to freeze the pension plan as of December 31, 2013, such that future benefits are no longer accrued for all employees after that date.

Defined Benefit Health Care Plan

Navicent Health sponsors a defined benefit health care plan ("health plan") that provides postretirement medical benefits to full-time employees who have worked 20 years and attained age 60 while in service with Navicent Health. The plan is contributory with retiree contributions adjusted annually, and it contains other cost-sharing features such as deductibles and coinsurance. Navicent Health's policy is to fund the cost of medical benefits in amounts determined at the discretion of management.

During September 2017, management changed the health plan eligibility requirements. Employees who are within 5 years of eligibility as of October 1, 2017 (achieving age 60 and 20 years of service) will continue to be eligible for coverage; however, employees who are outside 5 years of these requirements, will no longer be eligible for the health plan.

The funded status of the pension plan and health plan is measured as the difference between the fair value of the plans' assets and the projected benefit obligation of the plans.

The following tables present a reconciliation of the beginning and ending balances of the plans' projected benefit obligation, the fair value of plan assets, and the funded status of the plans as of and for the years ended September, 30, 2018 and 2017:

	Defined Benefit Pension Plan		Defined Benefit Health Care Plan	
	2018	**2017**	**2018**	**2017**
Projected benefit obligation, beginning of year	**$ 432,499**	$ 433,183	**$ 35,252**	$ 40,825
Change in benefit obligation:				
Service cost	**-**	-	**922**	1,729
Interest cost	**14,460**	13,940	**1,072**	1,143
Actuarial (gain) loss	**(19,772)**	(2,138)	**(6,909)**	5,833
Change in plan provisions	-	-	**(1,536)**	(12,260)
Benefits paid	**(28,015)**	(12,486)	**(2,074)**	(2,018)
Projected benefit obligation, end of year	**$ 399,172**	$ 432,499	**$ 26,727**	$ 35,252

(tabular amounts in thousands)

	Defined Benefit Pension Plan		Defined Benefit Health Care Plan	
	2018	**2017**	**2018**	**2017**
Fair value of plan assets, beginning of year	**$ 355,055**	$ 331,734	**$ -**	$ -
Change in plan assets:				
Actual return on plan assets	**26,046**	31,807	**-**	-
Contributions of plan sponsor	**-**	4,000	**2,074**	2,018
Contributions of plan participants	**-**	-	**322**	322
Benefits paid	**(28,015)**	(12,486)	**(2,396)**	(2,340)
Fair value of plan assets, end of year	**$ 353,086**	$ 355,055	**$ -**	$ -
Unfunded status, end of year	**$ (46,086)**	$ (77,444)	**$ (26,727)**	$ (35,252)

Amounts recognized on the consolidated balance sheets at September 30, 2018 and 2017, are as follows:

	Defined Benefit Pension Plan		Defined Benefit Health Care Plan	
	2018	**2017**	**2018**	**2017**
Other current liabilities	**$ -**	$ -	**$ 2,320**	$ 2,434
Other long-term liabilities	**-**	-	**24,406**	32,818
Accrued pension plan liability	**46,086**	77,444	**-**	-
	$ 46,086	$ 77,444	**$ 26,726**	$ 35,252

Included in unrestricted net assets at September 30, 2018 and 2017, are the following amounts that have not yet been recognized in the net periodic pension and postretirement benefit cost:

	Defined Benefit Pension Plan		Defined Benefit Health Care Plan	
	2018	**2017**	**2018**	**2017**
Unrecognized prior service cost (credit)	**$ -**	$ -	**$ (10,926)**	$ (12,186)
Unrecognized actuarial loss	**138,854**	167,378	**8,715**	17,901
	$ 138,854	$ 167,378	**$ (2,211)**	$ 5,715

Changes recognized in unrestricted net assets for the years ended September 30, 2018 and 2017, are as follows:

	Defined Benefit Pension Plan		Defined Benefit Health Care Plan	
	2018	**2017**	**2018**	**2017**
Net actuarial (gain) loss	**$ (24,534)**	$ (10,602)	**$ (6,909)**	$ 5,833
Prior service credit	**-**	-	**(1,536)**	(12,260)
Amortization of prior service costs	**-**	-	**2,795**	(12)
Amortization of actuarial loss	**(3,990)**	(4,110)	**(2,276)**	(644)
	$ (28,524)	$ (14,712)	**$ (7,926)**	$ (7,083)

(tabular amounts in thousands)

The estimated prior service cost and net gain to be recognized in net periodic pension expense and net periodic postretirement cost during the next fiscal year are as follows:

	Defined Benefit Pension Plan		Defined Benefit Health Care Plan	
	2019	**2018**	**2019**	**2018**
Prior service credit	**$ -**	$ -	**$ 12**	$ (2,598)
Actuarial loss	**3,990**	3,990	**(2,276)**	2,513

A summary of the components of net periodic benefit cost (income) for the years ended September 30, 2018 and 2017 is as follows:

	Defined Benefit Pension Plan		Defined Benefit Health Care Plan	
	2018	**2017**	**2018**	**2017**
Service cost	**$ 2,145**	$ -	**$ 922**	$ 1,729
Interest cost	**14,460**	13,940	**1,072**	1,143
Expected return on plan assets	**(23,429)**	(23,342)	**-**	-
Amortization of unrecognized prior service cost (credit)	**-**	-	**(2,795)**	12
Amortization of net loss	**3,990**	4,110	**2,276**	644
	$ (2,834)	$ (5,292)	**$ 1,475**	$ 3,528

Assumptions used in determining the actuarial present value of the projected benefit obligations as of September 30, 2018 and 2017, are as follows:

	Defined Benefit Pension Plan		Defined Benefit Health Care Plan	
	2018	**2017**	**2018**	**2017**
Weighted-average discount rate	**4.34%**	3.98%	**4.09%**	3.59%

Assumptions used in determining the net periodic benefit cost for the years ended September 30, 2018 and 2017 are as follows:

	Defined Benefit Pension Plan		Defined Benefit Health Care Plan	
	2018	**2017**	**2018**	**2017**
Weighted-average discount rate	**3.98%**	3.89%	**3.59%**	3.51%
Expected long-term rate of return on assets	**7.00%**	7.00%	**N/A**	N/A

The weighted-average annual assumed rate of increase in the per capita cost of covered benefits (i.e., health care cost trend rate) is 8.19% for 2018, decreasing annually to 4.5% in 2026. The health care cost trend rate assumption has an effect on the amounts reported. For example, increasing the assumed health care cost trend rates by one percentage point in each year would increase the accumulated postretirement benefit obligation as of September

(tabular amounts in thousands)

30, 2018, by approximately $1,221,000 and the aggregate of the service and interest cost components of net periodic postretirement benefit cost for 2018 by approximately $97,000.

Navicent Health uses fair market value as the market-related value of assets in calculating the expected return on the plan assets component of net periodic pension expense and net periodic postretirement benefit for the years ended September 30, 2018 and 2017.

During 2019, Navicent Health expects to contribute approximately $6,000,000 and $2,320,000 to its defined benefit pension plan and health care plan, respectively.

Benefits expected to be paid in each of the next five fiscal years and thereafter are estimated as follows:

	Defined Benefit Pension Plan	Defined Benefit Health Care Plan
Years ending September 30:		
2019	$ 17,310	$ 2,320
2020	18,190	2,432
2021	19,119	2,510
2022	20,036	2,642
2023	20,898	2,825
2024-2028	115,730	13,775

The target allocation for the pension plan is as follows as of September 30, 2018 and 2017:

	Minimum	Target	Maximum
Equity securities	27%	50%	78%
Debt securities	14%	31%	52%
Alternative investments	5%	19%	40%

To develop the expected long-term rate of return on assets assumptions, Navicent Health considered the historical returns and the future expectations for returns for each asset class, as well as the target asset allocation of the pension portfolio.

The Plan investment strategy is focused on matching the emerging long-term needs of the retirement plan with the proven, long-term performance patterns of the various investment markets. The Plan's investments represent the opportunity to reduce Navicent Health's cost of funding plan benefits and insulate the Plan's assets against deterioration of purchasing power caused by inflation.

The target allocation of all assets is to reflect proper diversification in order to reduce the potential of a single security or single sector of securities having a disproportionate impact on the portfolio. In an effort to maintain the overall risk level of the portfolio within an acceptable range, the relative mix of asset classes will be rebalanced back toward the target allocations as opportunities permit, but in any event not less often than annually.

9. Commitments and Contingencies

Litigation and Compliance

The System is involved in litigation arising in the ordinary course of business. Management believes that, based on the available information and consultation with legal counsel, recorded reserves are adequate to address the risk of loss related to resolution of these uncertainties.

Changes in federal and state reimbursement funding mechanisms and related government budgetary constraints could have a significant adverse effect on the System. The healthcare industry is subject to numerous laws and regulation from federal, state and local governments, and the government has increased enforcement of Medicare and Medicaid anti-fraud and abuse laws, as well as physician self-referral laws (STARK law and regulation). The System's compliance with these laws and regulations is subject to ongoing internal monitoring as well as periodic governmental review and inquiries, and the System has responded appropriately to any such compliance matters. The System is aware of certain asserted and unasserted compliance matters, and from time to time, the System may agree to resolve certain compliance mattes with the government. The System will continue to monitor its compliance and all related government inquiries and respond appropriately. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs.

Corporate Integrity Agreement

In connection with settlement agreements between MCNH and the U.S. Department of Health and Human Services, Office of Inspector General ("OIG"), MCNH entered into a Corporate Integrity Agreement ("CIA") with the OIG to promote compliance with the statues, regulations, and written directives of Medicare, Medicaid, and all other Federal health care programs. The CIA will last five years from commencement in April 2015 and will require MCNH to provide certain information and maintain certain requirements each year. Effective August 2, 2017, an amendment to the 2015 CIA extended the term of the CIA to August 1, 2022.

General and Professional Liability Insurance

Navicent Health is currently insured for commercial general liability on an occurrence basis and professional liability on a claims-made basis by Centra Professional Indemnity (SPC), Ltd. ("CPI"), a wholly-owned subsidiary of Navicent Health, and excess coverage by commercial insurance carriers through CPI. The excess coverage limits are $40,000,000 for each of 2018 and 2017. The coverage for professional liability is limited to claims incurred and reported during its term. Actuarially determined funding is provided for losses.

For all claims prior to October 1, 2002, the policy had a limit of $2 million per occurrence and $6 million in aggregate. For all claims between October 1, 2002 and September 30, 2004, the policy had a limit of $4 million per occurrence and $12 million in aggregate, and for all claims between October 1, 2004 and September 30, 2006, the policy had a limit of $4 million per occurrence and $14 million in aggregate. Effective October 1, 2006, the policy has a limit of $4 million per occurrence and $20 million in aggregate.

CPI also insures MCNH on an occurrence basis for workers' compensation insurance, which has a limit of $500,000 per occurrence, with no aggregate limit per year. Beginning April 1, 2011, CPI began insuring MCNH for equipment maintenance and repairs with limits of liability of $2,500,000 per claim and annual aggregate.

Employee Group Health Insurance

MCNH is self-insured for its employee group health insurance. MCNH has estimated and recorded accruals for claims incurred but not reported or paid prior to the fiscal year end.

Property and Equipment

MCNH has commitments for purchases of property and equipment of approximately $48,083,000 at September 30, 2018.

(tabular amounts in thousands)

10. Concentration of Credit Risk

MCNH grants credit to patients, substantially all of whom reside in central Georgia. MCNH generally does not require collateral or other security in extending credit to patients; however, they routinely obtain assignment of (or are otherwise entitled to receive) patients' benefits payable under their health programs, plans, or policies (e.g. Medicare, Medicaid, Blue Cross, and other preferred provider arrangements and commercial insurance policies). Revenue from the Medicare and Medicaid programs accounted for approximately 54% and 53% of MCNH's net patient revenue for the years ended September 30, 2018 and 2017, respectively.

The mix of receivables from patients and third-party payors at September 30, 2018 and 2017 was as follows:

	2018	2017
Medicare	**34%**	36%
Medicaid	**12%**	12%
Other third-party payors	**48%**	47%
Patients	**6%**	5%
	100%	100%

11. Functional Expenses

MCNH does not present expense information by functional classification because its resources and activities are primarily related to providing health care services. Further, since MCNH receives substantially all of its resources from providing health care services in a manner similar to a business enterprise, other indicators contained in these consolidated financial statements are considered important in evaluating how well management has discharged their stewardship responsibilities.

12. Fair Value of Financial Instruments

The following methods and assumptions were used by MCNH in estimating the fair value of its financial instruments:

Cash and cash equivalents

The carrying amounts reported in the consolidated balance sheets for cash and cash equivalents approximate their fair value.

Investments

Fair values, which are the amounts reported in the consolidated balance sheets, are based on quoted market prices, if available, estimated using quoted market prices for similar securities, or estimated using pricing models, discounted cash flow methodologies, or similar techniques.

Investments considered alternative investments are valued at net asset value.

Patient accounts receivable

The carrying amounts reported in the consolidated balance sheets for patient accounts receivable approximate their fair values.

Due from related parties

The carrying amounts reported in the consolidated balance sheets for due to or from related parties approximate their fair values.

Accounts payable and accrued expenses

The carrying amounts reported in the consolidated balance sheets for accounts payable and accrued expenses approximate their fair value.

Accrued compensation and withholdings

The carrying amounts reported in the consolidated balance sheets for accrued compensation and withholdings approximate their fair value.

Estimated third-party payor settlements

The carrying amounts reported in the balance sheets for estimated third-party payor settlements approximate their fair value.

Long-term debt

Fair values of Navicent Health's revenue anticipation certificates are based on current traded value. The fair value of Navicent Health's remaining long-term debt is estimated using discounted cash flow analyses, based on Navicent Health's current incremental borrowing rates for similar types of borrowing arrangements.

The carrying amounts reported in the balance sheets for long-term debt approximate their fair value.

Derivative Financial Instruments

The fair value of the derivative financial instruments are determined from a discounted cash flow model based on projected interest rates during the term of the contract and amounts outstanding on the corresponding long-term debt. In addition, credit risk associated with the counter party (when an asset) or Navicent Health (when a liability) is factored into the fair value model.

(tabular amounts in thousands)

The following summarizes MCNH's assets and (liabilities) by level:

	Assets (Liabilities) at Fair Value As of September 30, 2018		
	Level 1	**Level 2**	**Total**
Money market funds	$ 893	$ 24,275	$ 25,168
Asset backed:			
Auto loan receivable	-	3,838	3,838
Collateralized mortgage obligation	-	32,821	32,821
Credit card receivable	-	551	551
Other asset backed	-	4,493	4,493
Total asset backed securities	-	41,703	41,703
Corporate bonds:			
Domestic	-	25,602	25,602
Foreign	-	7,055	7,055
Total corporate bonds	-	32,657	32,657
Government securities:			
FHLMC	-	12,798	12,798
FNMA	-	16,386	16,386
GNMA	-	4,914	4,914
Municipal bonds	-	8,890	8,890
U.S. Treasuries	-	12,153	12,153
Total government issues	-	55,141	55,141
Equity securities:			
Mutual funds	87,782	-	87,782
Real estate investment trusts	3,713	-	3,713
Common stock:			
Consumer discretionary	27,868	-	27,868
Consumer staples	11,526	-	11,526
Energy	6,508	-	6,508
Financials	11,970	-	11,970
Foreign	2,484	-	2,484
Health care	26,558	-	26,558
Industrials	12,496	-	12,496
Information technology	31,819	-	31,819
Materials	4,629	-	4,629
Other	859	-	859
Total common stocks	136,717	-	136,717
Total equity securities	228,212	-	228,212
Total investments in the fair value hierarchy	229,105	153,776	382,881
Investments measured at net asset value (a)			252,555
			$ 635,436
Long-term investments measured at net asset value (a)			$ 15,389
Interest rate swap - included in other long-term liabilities	$ -	$ (5,442)	$ (5,442)

(a) In accordance with Topic 820, certain investments that were measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the consolidated balance sheets.

(tabular amounts in thousands)

	Assets (Liabilities) at Fair Value As of September 30, 2017		
	Level 1	**Level 2**	**Total**
Money market funds	$ 725	$ 16,178	$ 16,903
Asset backed:			
Auto loan receivable	-	3,313	3,313
Collateralized mortgage obligation	-	37,156	37,156
Credit card receivable	-	554	554
Other asset backed	-	3,759	3,759
Total asset backed securities		44,782	44,782
Corporate bonds:			
Domestic	-	22,989	22,989
Foreign	-	2,331	2,331
Total corporate bonds	-	25,320	25,320
Government securities:			
FHLMC	-	10,637	10,637
FNMA	-	23,165	23,165
GNMA	-	5,847	5,847
Municipal bonds	-	12,184	12,184
U.S. Treasuries	-	11,449	11,449
Total government issues	-	63,282	63,282
Equity securities:			
Mutual funds	99,278	-	99,278
Real estate investment trusts	3,470	-	3,470
Preferred Stock	-	474	474
Common stock:			
Consumer discretionary	21,544	-	21,544
Consumer staples	10,165	-	10,165
Energy	11,056	-	11,056
Financials	8,068	-	8,068
Foreign	2,724	-	2,724
Health care	12,971	-	12,971
Industrials	13,513	-	13,513
Information technology	34,926	-	14,650
Materials	14,650	-	3,246
Other	6,213	-	6,213
Total common stocks	135,830	-	135,830
Total equity securities	238,578	-	238,578
Total investments in the fair value hierarchy	239,303	149,562	388,865
Investments measured at net asset value (a)			237,044
			$ 625,909
Long-term investments measured at net asset value (a)			$ 45,499
Interest rate swap - included in other long-term liabilities	$ -	$ (8,990)	$ (8,990)

(a) In accordance with Topic 820, certain investments that were measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the consolidated balance sheets.

(tabular amounts in thousands)

Fair values of the pension plan investments are summarized as follows:

	Pension Assets at Fair Value As of September 30, 2018		
	Level 1	**Level 2**	**Total**
Money market funds	$ 9,051	$ -	$ 9,051
Equity mutual funds	63,936	-	63,936
U.S. government securities:			
U.S. treasuries	17,106	-	17,106
GNMA, FNMA, FHLMC pools	-	13,501	13,501
Government collateralized mortgage and asset backed	-	892	892
Other	-	1,784	1,784
Total U.S. government securities	17,106	16,177	33,283
Corporate bonds:			
Domestic	20,321	-	20,321
Foreign	1,807	-	1,807
Total corporate obligations	22,128	-	22,128
Common stocks:			
Domestic	117,432	-	117,432
Foreign	8,429	-	8,429
Total common stocks	125,861	-	125,861
Other funds:			
Mortgage and asset back securities	-	7,069	7,069
Real estate investment trusts	3,403	-	3,403
Total other funds	3,403	7,069	10,472
Total investments in the fair value hierarchy	$ 241,485	$ 23,246	264,731
Total investments measured at net asset value (a)			88,355
			$ 353,086

(a) In accordance with Topic 820, certain investments that were measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the consolidated balance sheets.

(tabular amounts in thousands)

	Pension Assets at Fair Value As of September 30, 2017		
	Level 1	**Level 2**	**Total**
Money market funds	$ 8,125	$ -	$ 8,125
Equity mutual funds	74,107	-	74,107
U.S. government securities:			
U.S. treasuries	11,910	-	11,910
GNMA, FNMA, FHLMC pools	-	16,027	16,027
Government collateralized mortgage and asset backed	-	1,275	1,275
Other	-	435	435
Total U.S. government securities	11,910	17,737	29,647
Corporate bonds:			
Domestic	23,081	-	23,081
Foreign	2,144	-	2,144
Total corporate obligations	25,225	-	25,225
Common stocks:			
Domestic	107,101	-	107,101
Foreign	13,696	-	13,696
Total common stocks	120,797	-	120,797
Other funds:			
Mortgage and asset back securities	-	5,132	5,132
Real estate investment trusts	3,513	-	3,514
Total other funds	3,513	5,132	8,646
Total investments in the fair value hierarchy	$ 243,677	$ 22,869	266,546
Total investments measured at net asset value (a)			88,509
			$ 355,055

(a) In accordance with Topic 820, certain investments that were measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the consolidated balance sheets.

(tabular amounts in thousands)

The System's alternative investments are measured at net asset value as a practical expedient for fair value and are accordingly excluded from the fair value hierarchy. The table below sets forth a summary of the alternative investments including a description of the investments and any unfunded commitments or restrictions associated with the investments.

	Fair Value at 9/30/2018	Fair Value at 9/30/2017	Unfunded Commitments	Other Redemption Restrictions	Redemption NoticePeriod(v)
Included in investments:					
Debt securities (i)	$ 75,336	$ 79,286	$ 13,547	0-1 year lock-up, Some not permitted	5-30 day written notice, monthly
Master funds and fund of funds (ii) written	$ 43,349	$ 69,285	$ -	0-1 year lock-up	35-90 day notice, monthly to annually
Private funds (iii)	$ 123,264	$ 110,038	$ -	0-1 year lock-up	5-60 day written notice, monthly to annually
Real estate investment Funds (iv)	$ 25,995	$ 23,934	$ 1,122	Some not permitted	90 day written notice, quarterly
Total	$ 267,944	$ 282,543			
Included in pension plan assets:					
Debt securities (i)	$ 38,161	$ 42,003	$ 7,158	0-1 year lock-up, Some not permitted	5-30 day written notice, monthly
Master funds and fund of funds (ii)	$ 20,065	$ 18,886	$ -	0-1 year lock-up	35-90 day written notice, monthly to annually
Private funds (iii)	$ 18,610	$ 17,210	$ -	0-1 year lock-up	5-60 day written notice, monthly to annually
Real estate investment Funds (iv)	$ 11,519	$ 10,410	$ 6,994	Some not permitted	90 day written notice, quarterly
Total	$ 88,355	$ 88,509			

(tabular amounts in thousands)

(i) The objective of these investments is to achieve long-term growth of capital by investing in debt securities. These debt securities include but are not limited to floating rate debt, foreign corporate debt, sovereign risk debt, emerging market debt, and distressed debt.

(ii) The objective of these investments is to achieve long-term growth of capital by investing in various funds that focus on a wide range of investments. These investments include but are not limited to debt, equities, derivatives, and real estate.

(iii) The objective of these investments is to achieve long-term growth of capital by investing in a wide range of investments. These investments include but are not limited to equities, futures contracts, and derivatives.

(iv) The objective of these investments is to achieve long-term growth of capital by investing in a wide range of real estate investments. These investments include portfolio companies, portfolio investments, and real estate assets.

(v) For many of these investments, there is a limit to the amount that can be redeemed on any redemption date. If the aggregate amount requested by investors to be redeemed on any redemption date is greater than the redemption percentage, generally 10-25% of the net asset value of the total fund, the respective funds' governing board may reduce the amount of shares to be redeemed pro rata among investors so that the aggregate amount to be withdrawn equals the limit percentage of the net asset value of the fund.

13. Related Party Transactions

MCNH contributed the following amounts to related parties under common control during the years ended September 30:

	2018	2017
Equity transfers to affiliates:		
Navicent Health, Inc.	**$ (46,120)**	$ (19,793)
NHPG	**(19,030)**	(19,851)
	$ (65,150)	$ (39,644)

These transactions were recorded as equity transfers and contributions and are included in the accompanying consolidated statements of operations and changes in net assets.

MCNH has advanced funds to and received funds from certain subsidiaries of Navicent Health. The net amounts due from affiliates totaled approximately $72,241,000 and $35,618,000 at September 30, 2018 and 2017, respectively. The received funds are recorded as assets and the advances are recorded as liabilities in the accompanying consolidated balance sheets.

MCNH paid insurance premiums of approximately $7,100,000 and $9,900,000 to CPI during 2018 and 2017, respectively. MCNH recorded the premiums as an expense in the accompanying consolidated statements of operations.

The Foundation, a controlled affiliate of Navicent Health, Inc., was established to solicit contributions from the general public and to support programs administered by MCNH and other affiliated entities. The Foundation is a related party to MCNH and is not consolidated in MCNH's financial statements. Funds are distributed to MCNH and affiliates of MCNH as determined by The Foundation's Board of Directors.

(tabular amounts in thousands)

A summary of the Foundation's assets, net assets, results of operations, and changes in net assets at September 30 follows:

	2018	2017
Other accounts and notes receivable	$ 9,695	$ 9,269
Other	148	312
Assets limited as to use	110,969	111,581
Total assets	$ 120,812	$ 121,162
Support and revenues	$ 16,186	$ 19,327
Expenses	16,594	2,127
Changes in net assets	(408)	17,200
Net assets at beginning of year	121,049	103,849
Net assets at end of year	$ 120,641	$ 121,049

Supplementary Information

The Medical Center of Central Georgia, Inc.
d/b/a The Medical Center, Navicent Health
Consolidating Balance Sheet (dollars in thousands)
September 30, 2018

	The Medical Center, Navicent Health	Doctors Office Building	Central Georgia PET, LLC	Hospice of Central Georgia	Eliminations	Consolidated
ASSETS						
Current assets:						
Cash and cash equivalents	$ 1,063	$ 31	$ 1,294	$ 440	$ -	$ 2,828
Short-term investments	635,436	-	-	-	-	635,436
Patient accounts receivable, net	128,547	-	1,095	867	-	130,509
Estimated third-party payor settlements	11,335	-	-	-	-	11,335
Other accounts and notes receivable	4,522	91	-	1	-	4,614
Prepaid expenses and other current assets	21,161	-	40	-	-	21,201
Total current assets	802,064	122	2,429	1,308	-	805,923
Long-term investments	15,389	-	-	-	-	15,389
Property and equipment, net	331,404	53,967	1,401	4,422	-	391,194
Due from (to) related parties	88,047	(11,349)	-	(4,290)	-	72,408
Cash surrender value of insurance policies	26,880	-	-	-	-	26,880
Other	2,222	-	-	-	(1,332)	890
Total assets	$ 1,266,006	$ 42,740	$ 3,830	$ 1,440	$ (1,332)	$ 1,312,684

See accompanying Independent Auditors' Report.

The Medical Center of Central Georgia, Inc.
d/b/a The Medical Center, Navicent Health
Consolidating Balance Sheet (dollars in thousands), continued
September 30, 2018

	The Medical Center, Navicent Health	Doctors Office Building	Central Georgia PET, LLC	Hospice of Central Georgia	Eliminations	Consolidated
LIABILITIES AND NET ASSETS						
Current liabilities:						
Accounts payable and accrued expenses	$ 27,896	$ 629	$ 76	$ 41	$ -	$ 28,642
Accrued compensation and withholdings	16,006	-	-	265	-	16,271
Current portion of long-term debt	4,360	-	240	-	-	4,600
Other current liabilities	13,753	2	-	2	-	13,757
Total current liabilities	62,015	631	316	308	-	63,270
Long-term debt, excluding current portion	225,397	39,921	1,516	-	-	266,834
Accrued pension benefit liability	46,086	-	-	-	-	46,086
Other long-term liabilities	31,052	109	-	-	-	31,161
Total liabilities	364,550	40,661	1,832	308	-	407,351
Net assets:						
Unrestricted net assets - controlling interest	901,456	2,079	1,998	1,132	(1,998)	904,667
Noncontrolling interest in subsidiary	-	-	-	-	666	666
Total net assets	901,456	2,079	1,998	1,132	(1,332)	905,333
Total liabilities and net assets	$ 1,266,006	$ 42,740	$ 3,830	$ 1,440	$ (1,332)	$ 1,312,684

See accompanying Independent Auditors' Report.

The Medical Center of Central Georgia, Inc.
d/b/a The Medical Center, Navicent Health
Consolidating Statement of Operations (dollars in thousands)
Year Ended September 30, 2018

	The Medical Center, Navicent Health	Doctors Office Building	Central Georgia PET, LLC	Hospice of Central Georgia	Eliminations	Consolidated
Unrestricted revenues, gains, and other support:						
Patient service revenue (net of contractual allowances and discounts)	$ 705,441	$ -	$ 4,862	$ 4,912	$ -	$ 715,215
Provision for bad debts	(68,577)	-	(1,041)	(21)	-	(69,639)
Net patient service revenue less provision for bad debts	636,864	-	3,821	4,891	-	645,576
Other revenue	16,154	6,274	-	-	-	22,428
Total unrestricted revenues, gains, and other support	653,018	6,274	3,821	4,891	-	668,004
Expenses:						
Labor and employee benefits	270,930	-	-	3,758	-	274,688
Supplies and other expenses	369,266	2,664	1,803	1,351	-	375,084
Depreciation and amortization	24,177	2,770	90	174	-	27,211
Interest	3,452	273	9	-	-	3,734
Total expenses	667,825	5,707	1,902	5,283	-	680,717
(Loss) income from operations	(14,807)	567	1,919	(392)	-	(12,713)
Other income (loss):						
Investment income	21,401	1	-	-	(1,280)	20,122
Change in fair value of interest rate swap	3,548	-	-	-	-	3,548
Nonoperating income (loss)	8,165	(53)	-	36	-	8,148
Excess of unrestricted revenues, gains and other support over (under) expenses	$ 18,307	$ 515	$ 1,919	$ (356)	$ (1,280)	$ 19,105

See accompanying Independent Auditors' Report.

Medical Center of Central Georgia, Inc.
Schedule of State of Georgia Award Revenues and Expenditures Compared to Budget
Year Ended September 30, 2018

Grantor/Program Title	Contract Number or Georgia State Fiscal Year	Budgets	Revenues	Expenditures
State of Georgia Department of Human Resources:				
Intensive Infant Care Project	40500-039-19182476	$ 42,287	$ 42,287	$ 42,287
Intensive Infant Care Project	40500-039-18182476	12,205	12,205	12,205
Maternal and Infant Care Project	40500-039-19182477	98,961	98,961	98,961
Maternal and Infant Care Project	40500-039-18182477	21,771	21,771	21,771
Trauma Patient Data	GTC_NavicentMC2018.1	54,945	54,945	54,945
Trauma Patient Data	GTC_NavicentMC2019.2	18,382	18,382	18,382
Regional Coordinating				
RCH	228-07100113	66,750	66,750	66,750
RCH	228-07100113	10,000	10,000	10,000
Children's Advocacy Centers of Georgia		25,972	25,972	25,972
State of Georgia - The Georgia Board for Physician Workforce:				
Family Practice Residency	2017	1,071,705	1,071,705	1,071,705
Family Practice Residency	2018	357,235	357,235	357,235
Residency	2017	822,971	822,971	822,971
Residency	2018	254,091	254,091	254,091
Pediatric Residency	2017	668,197	668,197	668,197
Pediatric Residency	2018	222,733	222,733	222,733
General Surgery	2017	147,642	147,642	147,642
General Surgery	2018	49,214	49,214	49,214
Obstetrics Gynecology	2017	219,043	219,043	219,043
Obstetrics Gynecology	2018	73,014	73,014	73,014
		$ 4,237,118	$ 4,237,118	$ 4,237,118

See accompanying Independent Auditors' Report.