

ORIGINAL

E-041-14

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR EXEMPTION FOR THE
CHANGE OF OWNERSHIP FOR AN EXISTING HEALTH CARE FACILITY

RECEIVED

OCT 31 2014

1. INFORMATION FOR EXISTING FACILITY

Current Facility Name Adventist Bolingbrook Hospital **HEALTH FACILITIES & SERVICES REVIEW BOARD**
Address 500 Remington Blvd.
City Bolingbrook, IL Zip Code 60440 County Will
Name of current licensed entity for the facility Adventist Bolingbrook Hospital
Does the current licensee: own this facility X OR lease this facility _____ (if leased, check if sublease ☐)
Type of ownership of the current licensed entity (check one of the following:) Sole Proprietorship
X Not-for-Profit Corporation _____ For Profit Corporation _____ Partnership _____ Governmental _____
Limited Liability Company _____ Other, specify _____
Illinois State Senator for the district where the facility is located: Sen. Pat McGuire
State Senate District Number 43 Mailing address of the State Senator _____
2200 Weber Road Crest Hill, IL 60403
Illinois State Representative for the district where the facility is located: Rep. Emily McAsey
State Representative District Number 85 Mailing address of the State Representative _____
416 N. Weber Road Romeoville, IL 60446

- 2. OUTSTANDING PERMITS.** Does the facility have any projects for which the State Board issued a permit that will not be completed (refer to 1130.140 "Completion or Project Completion" for a definition of project completion) by the time of the proposed ownership change? Yes ☐ No X. If yes, refer to Section 1130.520(f), and indicate the projects by Project # _____

- 3. NAME OF APPLICANT** (complete this information for each co-applicant and insert after this page).

Exact Legal Name of Applicant PLEASE SEE FOLLOWING PAGE
Address _____
City, State & Zip Code _____
Type of ownership of the current licensed entity (check one of the following:) Sole Proprietorship
Not-for-Profit Corporation _____ For Profit Corporation _____ Partnership _____ Governmental _____
Limited Liability Company _____ Other, specify _____

- 4. NAME OF LEGAL ENTITY THAT WILL BE THE LICENSEE/OPERATING ENTITY OF THE FACILITY NAMED IN THE APPLICATION AS A RESULT OF THIS TRANSACTION.**

Exact Legal Name of Entity to be Licensed Adventist Bolingbrook Hospital
Address 500 Remington Road
City, State & Zip Code Bolingbrook, IL 60440
Type of ownership of the current licensed entity (check one of the following:) Sole Proprietorship
Not-for-Profit Corporation X For Profit Corporation _____ Partnership _____ Governmental _____
Limited Liability Company _____ Other, specify _____

- 5. BUILDING/SITE OWNERSHIP. NAME OF LEGAL ENTITY THAT WILL OWN THE "BRICKS AND MORTAR" (BUILDING) OF THE FACILITY NAMED IN THIS APPLICATION IF DIFFERENT FROM THE OPERATING/LICENSED ENTITY**

Exact Legal Name of Entity That Will Own the Site Adventist Bolingbrook Hospital
Address 500 Remington Road
City, State & Zip Code Bolingbrook, IL 60440
Type of ownership of the current licensed entity (check one of the following:) Sole Proprietorship
X Not-for-Profit Corporation _____ For Profit Corporation _____ Partnership _____ Governmental _____
Limited Liability Company _____ Other, specify _____

NAME OF APPLICANT (complete this information for each co-applicant and insert after this page).

Exact Legal Name of Applicant Adventist Health System Sunbelt Healthcare Corporation

Address 900 Hope Way

City, State & Zip Code Altamonte Springs, FL 32714

Type of ownership of the current licensed entity (check one of the following:) Sole Proprietorship
X Not-for-Profit Corporation For Profit Corporation Partnership Governmental

Limited Liability Company Other, specify

NAME OF APPLICANT (complete this information for each co-applicant and insert after this page).

Exact Legal Name of Applicant Adventist Midwest Health d/b/a Adventist Bolingbrook Hospital

Address 120 North Oak Street

City, State & Zip Code Hinsdale, IL 60525

Type of ownership of the current licensed entity (check one of the following:) Sole Proprietorship
X Not-for-Profit Corporation For Profit Corporation Partnership Governmental

Limited Liability Company Other, specify

NAME OF APPLICANT (complete this information for each co-applicant and insert after this page).

Exact Legal Name of Applicant Adventist Hinsdale Hospital d/b/a Adventist Bolingbrook Hospital

Address 120 North Oak Street

City, State & Zip Code Hinsdale, IL 60525

Type of ownership of the current licensed entity (check one of the following:) Sole Proprietorship
X Not-for-Profit Corporation For Profit Corporation Partnership Governmental

Limited Liability Company Other, specify

NAME OF APPLICANT (complete this information for each co-applicant and insert after this page).

Exact Legal Name of Applicant Adventist Bolingbrook Hospital

Address 500 Remington Road

City, State & Zip Code Bolingbrook, IL 60440

Type of ownership of the current licensed entity (check one of the following:) Sole Proprietorship
X Not-for-Profit Corporation For Profit Corporation Partnership Governmental

Limited Liability Company Other, specify

* Once regulatory approval is obtained, the legal entity "Adventist Hinsdale Hospital" will change its name to "Adventist Midwest Health" and will establish "Adventist Hinsdale Hospital" and "Adventist La Grange Memorial Hospital" as d/b/a's for the licensed health care facilities it operates.

6. TRANSACTION TYPE. CHECK THE FOLLOWING THAT APPLY TO THE TRANSACTION:

- ☐ Purchase resulting in the issuance of a license to an entity different from current licensee;
- ☐ Lease resulting in the issuance of a license to an entity different from current licensee;
- ☐ Stock transfer resulting in the issuance of a license to a different entity from current licensee;
- ☐ Stock transfer resulting in no change from current licensee;
- ☐ Assignment or transfer of assets resulting in the issuance of a license to an entity different from the current licensee;
- ☐ Assignment or transfer of assets not resulting in the issuance of a license to an entity different from the current licensee;
- ☐ Change in membership or sponsorship of a not-for-profit corporation that is the licensed entity;
- ☐ Change of 50% or more of the voting members of a not-for-profit corporation's board of directors that controls a health care facility's operations, license, certification or physical plant and assets;
- ☐ Change in the sponsorship or control of the person who is licensed, certified or owns the physical plant and assets of a governmental health care facility;
- ☐ Sale or transfer of the physical plant and related assets of a health care facility not resulting in a change of current licensee;

X Any other transaction that results in a person obtaining control of a health care facility's operation or physical plant and assets, and explain in "Attachment 3 Narrative Description"

7. **APPLICATION FEE.** Submit the application fee in the form of a check or money order for \$2,500 payable to the Illinois Department of Public Health and append as **ATTACHMENT #1**.

8. **FUNDING.** Indicate the type and source of funds which will be used to acquire the facility (e.g., mortgage through Health Facilities Authority; cash gift from parent company, etc.) and append as **ATTACHMENT #2**. **not applicable**

9. **ANTICIPATED ACQUISITION PRICE:** \$ n/a

10. **FAIR MARKET VALUE OF THE FACILITY:** \$ 149,183,788.14
(to determine fair market value, refer to 77 IAC 1130.140)

11. **DATE OF PROPOSED TRANSACTION:** January 1, 2015

12. **NARRATIVE DESCRIPTION.** Provide a narrative description explaining the transaction, and append it to the application as **ATTACHMENT #3**.

13. **BACKGROUND OF APPLICANT** (co-applicants must also provide this information). Corporations and Limited Liability Companies must provide a current Certificate of Good Standing from the Illinois Secretary of State. Limited Liability Companies and Partnerships must provide the name and address of each partner/ member and specify the percentage of ownership of each. Append this information to the application as **ATTACHMENT #4**.

14. **TRANSACTION DOCUMENTS.** Provide a copy of the complete transaction document(s) including schedules and exhibits which detail the terms and conditions of the proposed transaction (purchase, lease, stock transfer, etc). Applicants should note that the document(s) submitted should reflect the applicant's (and co-applicant's, if applicable) involvement in the transaction. The document must be signed by both parties and contain language stating that the transaction is contingent upon approval of the Illinois Health Facilities and Services Review Board. Append this document(s) to the application as **ATTACHMENT #5**.

not applicable

15. **FINANCIAL STATEMENTS.** (Co-applicants must also provide this information) Provide a copy of the applicants latest audited financial statements, and append it to this application as **ATTACHMENT #6**. If the applicant is a newly formed entity and financial statements are not available, please indicate by checking **YES** , and indicate the date the entity was formed

16. **PRIMARY CONTACT PERSON.** Individual representing the applicant to whom all correspondence and inquiries pertaining to this application are to be directed. (Note: other persons representing the applicant not named below will need written authorization from the applicant stating that such persons are also authorized to represent the applicant in relationship to this application).

Name: Ms. Nanette Bufalino Regional Chief Legal Officer-Adventist Midwest Region _____
Address: 120 North Oak Street _____
City, State & Zip Code: Hinsdale, IL 60521 _____
Telephone (630) 856-6050 Ext. _____

17. **ADDITIONAL CONTACT PERSON.** Consultant, attorney, other individual who is also authorized to discuss this application and act on behalf of the applicant.

Name: Jacob M. Axel President, Axel & Associates, Inc. _____
Address: 675 North Court Suite 210 _____
City, State & Zip Code: Palatine, IL 60067 _____
Telephone (847) 776-7101 Ext. _____

18. **CERTIFICATION**

I certify that the above information and all attached information are true and correct to the best of my knowledge and belief. I certify that the number of beds within the facility will not change as part of this transaction. I certify that no adverse action has been taken against the applicant(s) by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois. I certify that I am fully aware that a change in ownership will void any permits for projects that have not been completed unless such projects will be completed or altered pursuant to the requirements in 77 IAC 1130.520(f) prior to the effective date of the proposed ownership change. I also certify that the applicant has not already acquired the facility named in this application or entered into an agreement to acquire the facility named in the application unless the contract contains a clause that the transaction is contingent upon approval by the State Board.

Signature of Authorized Officer

David L. Crane

Typed or Printed Name of Authorized Officer

David L. Crane

Title of Authorized Officer:

Vice President

Address:

5101 S. Willow Springs Rd

City, State & Zip Code:

La Grange IL 60525

Telephone (708) 245-6000

Date: 9/29/14

NOTE: complete a separate signature page for each co-applicant and insert following this page.

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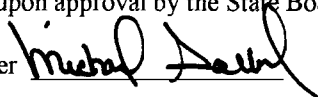
17. ADDITIONAL CONTACT PERSON. Consultant, attorney, other individual who is also authorized to discuss this application and act on behalf of the applicant.

Name: Jacob M. Axel President, Axel & Associates, Inc. _____
Address: 675 North Court Suite 210 _____
City, State & Zip Code: Palatine, IL 60067 _____
Telephone (847) 776-7101 Ext. _____

18. CERTIFICATION

I certify that the above information and all attached information are true and correct to the best of my knowledge and belief. I certify that the number of beds within the facility will not change as part of this transaction. I certify that no adverse action has been taken against the applicant(s) by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois. I certify that I am fully aware that a change in ownership will void any permits for projects that have not been completed unless such projects will be completed or altered pursuant to the requirements in 77 IAC 1130.520(f) prior to the effective date of the proposed ownership change. I also certify that the applicant has not already acquired the facility named in this application or entered into an agreement to acquire the facility named in the application unless the contract contains a clause that the transaction is contingent upon approval by the State Board.

Signature of Authorized Officer



Typed or Printed Name of Authorized Officer Michael Goebel

Title of Authorized Officer: Chief Executive Officer

Address: 120 N. Oak St.

City, State & Zip Code: Hinsdale, IL 60521

Telephone (630) 856-6056 Date: 9/29/14

NOTE: complete a separate signature page for each co-applicant and insert following this page.

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City, State & Zip Code: Hinsdale, IL 60521
Telephone (630) 856-6050 Ext. _____

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Address: 675 North Court Suite 210
City, State & Zip Code: Palatine, IL 60067
Telephone (847) 776-7101 Ext. _____

18. **CERTIFICATION**

I certify that the above information and all attached information are true and correct to the best of my knowledge and belief. I certify that the number of beds within the facility will not change as part of this transaction. I certify that no adverse action has been taken against the applicant(s) by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois. I certify that I am fully aware that a change in ownership will void any permits for projects that have not been completed unless such projects will be completed or altered pursuant to the requirements in 77 IAC 1130.520(f) prior to the effective date of the proposed ownership change. I also certify that the applicant has not already acquired the facility named in this application or entered into an agreement to acquire the facility named in the application unless the contract contains a clause that the transaction is contingent upon approval by the State Board.

Signature of Authorized Officer _____

Typed or Printed Name of Authorized Officer Rick D. Mace

Title of Authorized Officer: _____

Address: _____

City, State & Zip Code: _____

Telephone (630) 312-6001

Date: 9/24/14

NOTE: complete a separate signature page for each co-applicant and insert following this page.

Adventist Bolingbrook Hospital

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NARRATIVE DESCRIPTION

This Certificate of Exemption ("COE") application is being filed consistent with direction provided by Illinois Health Facilities and Services Review Board staff during a technical assistance conference held by telephone on July 9, 2014; and is limited to the change of control of Adventist Bolingbrook Hospital, Bolingbrook, Illinois ("Bolingbrook Hospital").

Under the current organizational structure of Adventist Health System-Sunbelt Healthcare Corporation ("Adventist"), Adventist Health System/Sunbelt, Inc. is the sole corporate member of Adventist Bolingbrook Hospital. Concurrent to the filing of this COE application, and consistent with the technical assistance conference referenced above, separate COE applications were filed for each of Adventist's four Illinois hospitals and each of the three Illinois hospitals owned by Ascension Health to allow the seven hospitals to operate under the governance of a joint operating company.

This COE application organizationally "re-locates" Bolingbrook Hospital within Adventist, changing the sole corporate member of Adventist Bolingbrook Hospital from Adventist Health System/Sunbelt, Inc. to Adventist Hinsdale Hospital corporation*, the same legal entity that currently owns and operates Adventist Hinsdale Hospital. The purpose of this re-organization is to facilitate the establishment of the joint operating company that will have "control" of the seven Adventist and Ascension Illinois hospitals.

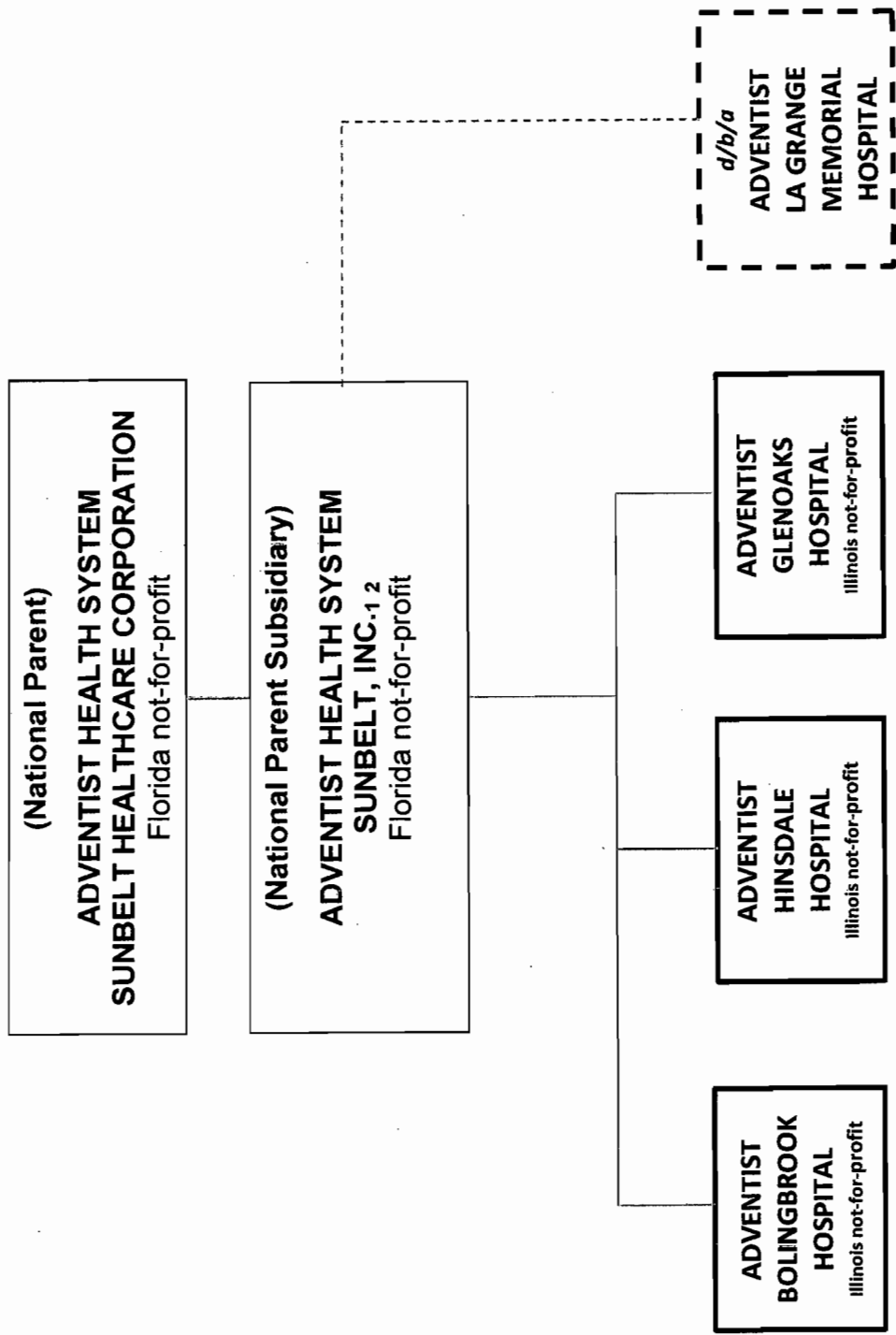
Similar COE applications have been concurrently filed addressing the relocating of Adventist La Grange Memorial Hospital (change of ownership) and Adventist GlenOaks Hospital (change of control) within the Adventist organizational structure.

Organizational charts, depicting both the current Adventist organizational structure and the proposed Adventist organizational structure are attached.

The re-organization addressed through this COE application, as discussed in the above-referenced technical assistance conference, will occur simultaneous to the establishment of the joint operating company and the resulting change of control of the seven hospitals.

* Once regulatory approvals are obtained, the Illinois corporation "Adventist Hinsdale Hospital" will change its name to "Adventist Midwest Health", and will establish "Adventist Hinsdale Hospital" as a d/b/a and retain "Adventist La Grange Memorial Hospital" as a d/b/a for that licensed facility. Adventist Midwest Health will then operate two licensed hospitals under their respective d/b/as.

CURRENT HOSPITAL STRUCTURE – ADVENTIST MIDWEST REGION ENTITIES



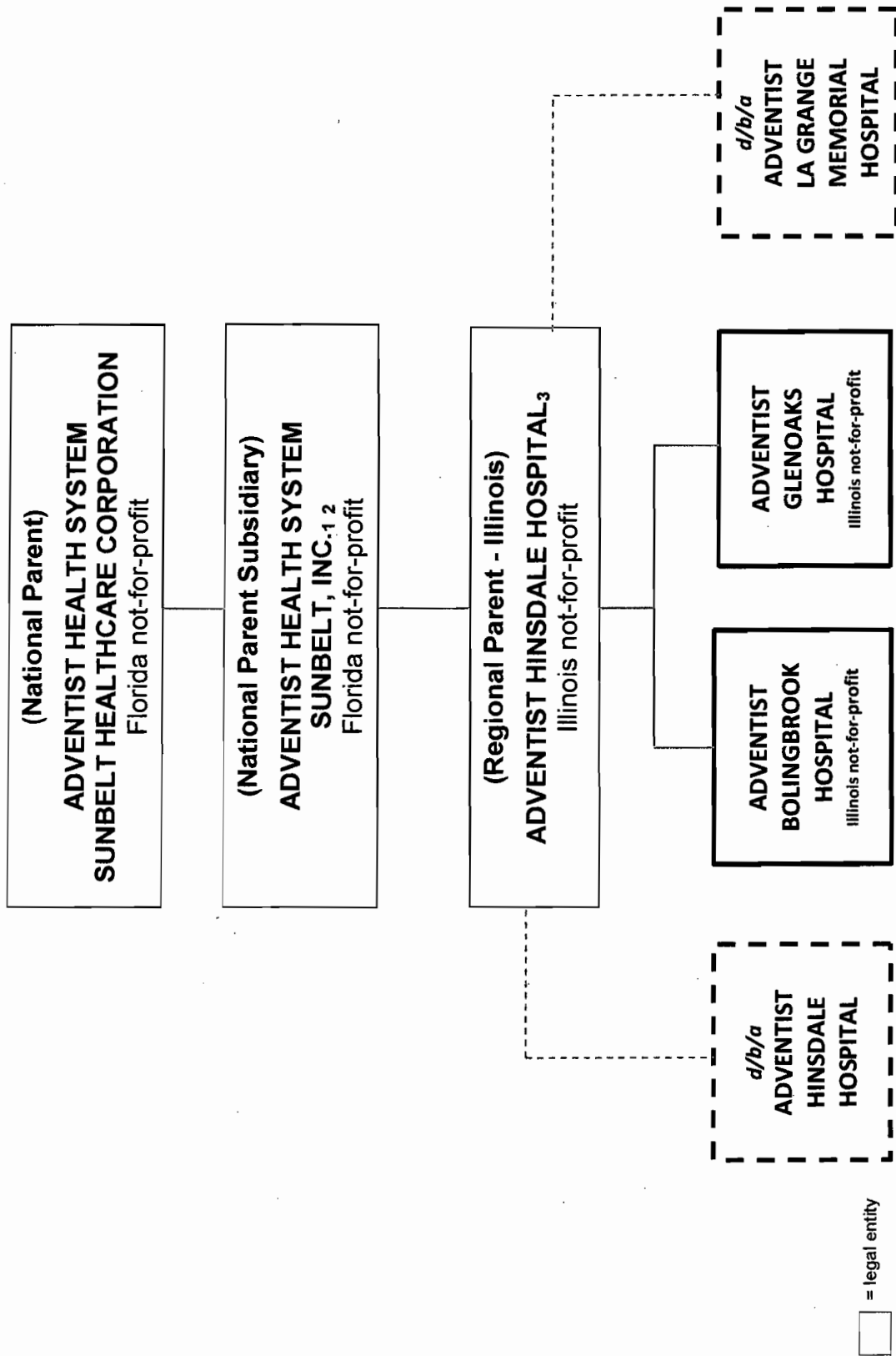
☐ = legal entity

☐ = operating division of legal entity

¹ Owns and operates hospitals outside of Illinois

² Sole corporate member of the entities below unless otherwise noted

INTERNAL REORGANIZATION – ADVENTIST MIDWEST REGION ENTITIES



¹ Owns and operates hospitals outside of Illinois
² Sole corporate member of Adventist Hinsdale Hospital
³ Once regulatory approvals are obtained, the Illinois corporation "Adventist Hinsdale Hospital" will change its name to "Adventist Midwest Health", and will establish "Adventist Hinsdale Hospital" as a d/b/a and retain "Adventist La Grange Memorial Hospital" as a d/b/a for that licensed facility. Adventist Midwest Health will then operate two licensed hospitals under their respective d/b/as.

FITCH AFFIRMS ASCENSION HEALTH ALLIANCE SR CREDIT GROUP REVS AT 'AA+'; OUTLOOK STABLE

Fitch Ratings-Chicago-15 September 2014: Fitch Ratings has affirmed the ratings on the following revenue bonds that have been issued by or on behalf of Ascension Health Alliance (Ascension) through various conduit issuing authorities:

- Approximately \$3.9 billion of Ascension Health Alliance Senior Credit Group bonds at 'AA+';
- Approximately \$503 million of Ascension Health Alliance Subordinate Credit Group bonds at 'AA+';
- Approximately \$425 million of Ascension Health Alliance taxable bonds at 'AA+';
- Approximately \$1.1 billion of variable-rate and short-term debt currently outstanding based on the adequacy of Ascension's self-liquidity at 'F1+';
- \$1 billion Ascension Health Alliance Taxable Commercial Paper (CP) Program at 'F1+'.

The Rating Outlook is Stable.

KEY RATING DRIVERS:

BROAD OPERATING FOOTPRINT: Fitch believes Ascension's broad operating footprint, including 102 general acute care hospitals in 23 states and the District of Columbia, helps to insulate Ascension's overall credit profile from adverse economic, demographic and operational changes in any one of its markets. Further, a key strategy is to expand and diversify its care continuum beyond inpatient acute care services as well as develop greater health plan capabilities.

LIGHT DEBT BURDEN: Ascension's light debt burden is viewed as a key credit strength which will allow for solid debt coverage should profitability be compressed going forward. Maximum annual debt service (MADS) equates to a light 1.8% of annualized 2014 total revenues which is lower than the 'AA' category median of 2.6%. MADS coverage by net and operating EBITDA through the nine months ended March 31, 2014 was a strong 5.7x and 5.2x, respectively.

ROBUST LIQUIDITY: At March 31 2014, Ascension's unrestricted cash and investments increased to \$12.7 billion from \$9.7 billion at the end of third quarter 2013 (3Q'13). Liquidity metrics remain strong relative to Fitch's 'AA' category median, with days cash on hand of 252.6, a cushion ratio of 35.8x and cash to debt of 200.4%.

STRONG MANAGEMENT PRACTICES: While Ascension's sheer size could present a challenge in its ability to react quickly to the rapidly changing health care delivery environment, Fitch views Ascension's management practices and information systems as a credit strength which should allow the organization to successfully navigate the changing landscape. Management continues to drive greater efficiencies through a consolidation of redundant services, has demonstrated a willingness to create joint venture partnerships where appropriate, and divest money-losing/poorly positioned operations.

RATING SENSITIVITIES:

PROFITABILITY DETERIORATION: While Ascension's light debt burden and strong liquidity provide significant credit strength, a sustained deterioration in profitability due to weaker core operations (i.e. declining clinical volumes, weaker reimbursement, etc.) would likely result in negative rating action.

SECURITY:

Senior bonds are secured by a security interest in the pledged revenues of the Senior Credit Group.

CREDIT SUMMARY:

Ascension, headquartered in St. Louis, MO, is the largest Catholic-sponsored health care provider in the United States. The System operates 102 general acute care hospitals, 69 outpatient surgery centers, 372 primary care clinics and over 4,900 employed physicians located across 23 states and the District of Columbia. On a fully consolidated basis, Ascension Health Alliance reported total revenues of \$17.1 billion in fiscal 2013.

BROAD OPERATING FOOTPRINT

Ascension's wide geographic diversity and large scale of operations make it unique among Fitch's not-for-profit healthcare systems. Fitch views Ascension's broad operating footprint as a credit strength as it helps to insulate the system from adverse economic, demographic and operational challenges in any one of its markets. The diversity of its markets allows Ascension's management team to identify industry changes and test strategies that can then be exported throughout the system. Through its various subsidiaries, Ascension has been able to test new technologies and incubate various strategies without putting the enterprise at risk. Ascension has been expanding its presence in non-acute service lines such as long-term care, home health, senior housing and outpatient rehabilitation in an effort to prepare for value-based reimbursement models. Ascension has entered into a variety of risk-based reimbursement contracts in various markets to develop knowledge and expertise for the expected growth in value-based reimbursement models.

Similarly, Ascension has entered into a non-binding Letter of Intent to acquire a multi-state health insurance company to accelerate and expand its health plan capabilities to support risk-based contracting and health management services including third party administration. The completion of the proposed transaction is subject to the parties executing final definitive agreements and obtaining all necessary approvals. According to management, the purchase price would not be material to Ascension's financial or operational profile with closing possible by the end of calendar year 3Q'14.

LIGHT DEBT BURDEN

Ascension's light debt burden is considered a key credit strength. Fitch used MADS of \$355.6 million (which includes certain debt of Alexian Brothers, St. John Health System and Ministry Health system, formerly part of Marian Health System, that remains outside the Ascension Credit Group) which equates to a light 1.8% of annualized fiscal 2014 revenues. Debt-to-capitalization at March 31, 2014 was 26.1% which compares favorably to the 'AA' median of 31.1%. Ascension's light debt burden, combined with adequate profitability for the rating category generates strong coverage of debt service. Historical coverage of MADS by EBITDA was a very solid 5.7x in fiscal 2013 and remained steady at 5.7x through the nine-month interim period. Fitch notes that MADS coverage for 2013 is understated in light of only three months of revenues from the Marian Health System transaction being reflected in consolidated audited results.

Although light relative to Fitch's 'AA' category medians, Ascension's operating profitability has been fairly stable over the last four fiscal years. Operating margins from recurring operations have ranged between 2.8% and 4% while operating EBITDA margins from recurring operations have ranged between 8.1% and 9.5% over that period. Through the nine months ended March 31, 2014, Ascension generated \$1.38 billion of operating EBITDA on total revenues of \$15 billion, resulting in a 9.2% operating EBITDA margin from recurring operations. Operating results reflect the system's continued investment in physician alignment and sub-acute business lines, its on-going investment in its Symphony software platform and softer clinical volumes and payor mix. Ascension's strong liquidity and light debt burden currently offset any concerns regarding the somewhat compressed operating profitability relative to the 'AA' category median.

ROBUST LIQUIDITY

Ascension's strong liquidity position provides a substantial financial cushion as the system positions itself for the changes anticipated under the Affordable Care Act and further executes its strategic plan. At March 31, 2014, unrestricted cash and investments improved to \$12.7 billion from \$9.7 billion at 3Q 2013 reflecting the addition of the systems formerly affiliated with Marian Health System, and strong investment returns. Ascension's liquidity ratios compare favorably to Fitch's 'AA' category medians with days cash on hand of 252.6, cushion ratio of 35.8x and cash-to-debt of 200.4%.

STRONG MANAGEMENT PRACTICES

While Ascension's sheer size could present a challenge to its ability to react quickly to the rapidly changing health care delivery environment, Fitch views Ascension's management practices as a credit strength which should allow the organization to successfully navigate the changing landscape. Ascension's substantial investment in its Symphony information and enterprise risk management platform is nearing its completion with 21 of 25 Ministry Organizations expected to be fully operational by the end of 2014. Fitch believes this will improve information flow allowing for timely decisionmaking and identifying additional areas ready for further operational efficiencies. Ascension has demonstrated a willingness to create joint venture partnerships where appropriate, test strategies that can be exported through the system and divest money-losing/poorly positioned operations. Additionally, Fitch believes Ascension is very well positioned as a preferred merger partner, particularly among religion-sponsored providers, as the not-for-profit health sector further consolidates in response to healthcare reform.

SELF-LIQUIDITY

The 'F1+' rating is based on the sufficiency of Ascension's liquid resources and written procedures to fund any un-remarketed variable rate demand bonds (VRDBs) and multi-annual put bonds. As of Aug. 31, 2014, the corporation had a total of \$587 million of tax exempt weekly VRDBs, \$393 million of variable-rate bonds in seven-month Windows mode and approximately \$40.8 million of multi-annual put bonds which come due within 90 days that are supported by Ascension's internal liquidity. Ascension has a taxable CP program which has been authorized up to \$1 billion of which there were no amounts outstanding at Aug. 31, 2014. Ascension has staggered the put dates on its multi-annual puts such that Ascension's maximum put exposure in any given week including its weekly VRDBs and multi-annual puts supported by self-liquidity is approximately \$668 million in the next 13 months. Liquidity is supplemented by a \$1 billion line of credit which has an expiration date of Nov. 9, 2014. Wells Fargo Bank, N.A. acts as the administrative agent on the line of credit. Based on Fitch's Rating Criteria related to Self-Liquidity, Ascension had 'eligible' cash and investments (including bank credit facilities) in excess of the 125% threshold of its maximum put exposure for assignment of the 'F1+' rating.

DISCLOSURE

Ascension has covenanted to provide audited financial information and annual operating data within 180 days of each fiscal year end and quarterly unaudited financial information for the first three quarters within 60 days of each fiscal quarter end. The annual and quarterly financial releases and all notices of material events will be filed by the bond trustee with the Municipal Securities Rulemaking Board's EMMA system. Additionally, Ascension has made annual and quarterly financial information available on its website at www.ascensionhealth.org. Fitch views Ascension's disclosure content and practices positively.

Contact:

Primary Analyst

Jim LeBuhn

Senior Director

+1-312-368-2059

Fitch Ratings, Inc.

70 W. Madison Street

Chicago, IL 60602

Secondary Analyst
Adam Kates
Director
+1-312-368-3180

Committee Chairperson
Eva Thein
Senior Director
+1-212-908-0674

Media Relations: Elizabeth Fogerty, New York, Tel: +1 (212) 908 0526, Email: elizabeth.fogerty@fitchratings.com.

Additional information is available at 'www.fitchratings.com'.

Applicable Criteria and Related Research:

- 'U.S. Nonprofit Hospitals and Health Systems Rating Criteria' (May 30, 2014);
- 'Revenue Supported Rating Criteria' (June 16, 2014);
- Rating U.S. Public Finance Short-Term Debt (Dec. 9, 2013)

Applicable Criteria and Related Research:

Rating U.S. Public Finance Short-Term Debt

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=724680

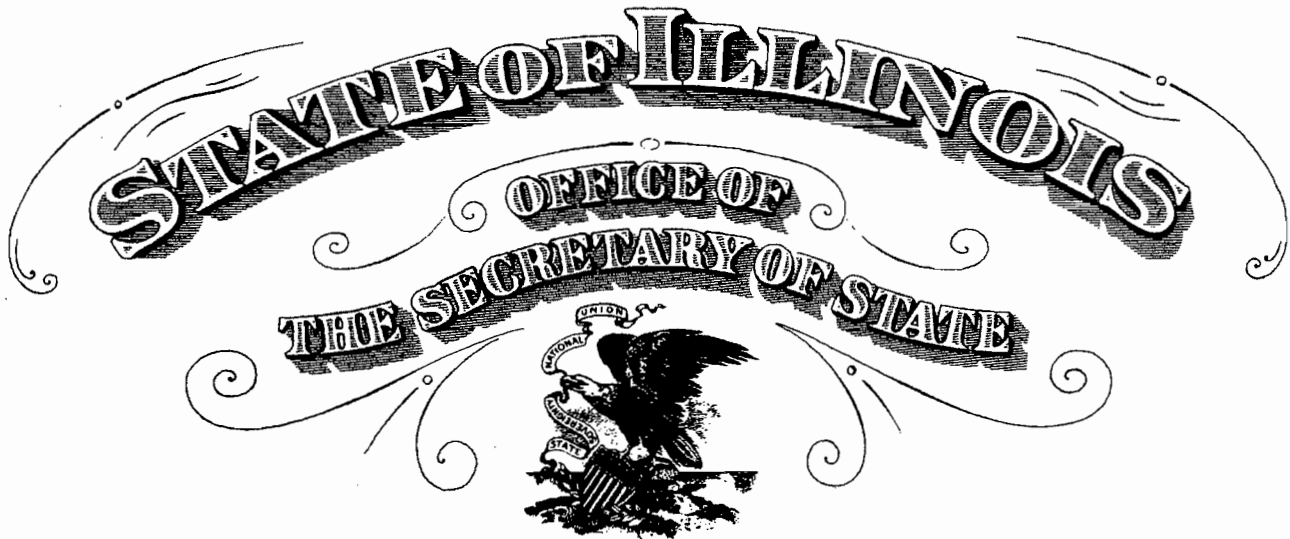
Revenue-Supported Rating Criteria

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=750012

U.S. Nonprofit Hospitals and Health Systems Rating Criteria

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=746860

ALL FITCH CREDIT RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS. PLEASE READ THESE LIMITATIONS AND DISCLAIMERS BY FOLLOWING THIS LINK: [HTTP://FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS](http://FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS). IN ADDITION, RATING DEFINITIONS AND THE TERMS OF USE OF SUCH RATINGS ARE AVAILABLE ON THE AGENCY'S PUBLIC WEBSITE 'WWW.FITCHRATINGS.COM'. PUBLISHED RATINGS, CRITERIA AND METHODOLOGIES ARE AVAILABLE FROM THIS SITE AT ALL TIMES. FITCH'S CODE OF CONDUCT, CONFIDENTIALITY, CONFLICTS OF INTEREST, AFFILIATE FIREWALL, COMPLIANCE AND OTHER RELEVANT POLICIES AND PROCEDURES ARE ALSO AVAILABLE FROM THE 'CODE OF CONDUCT' SECTION OF THIS SITE. FITCH MAY HAVE PROVIDED ANOTHER PERMISSIBLE SERVICE TO THE RATED ENTITY OR ITS RELATED THIRD PARTIES. DETAILS OF THIS SERVICE FOR RATINGS FOR WHICH THE LEAD ANALYST IS BASED IN AN EU-REGISTERED ENTITY CAN BE FOUND ON THE ENTITY SUMMARY PAGE FOR THIS ISSUER ON THE FITCH WEBSITE.



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

ADVENTIST HEALTH SYSTEM SUNBELT HEALTHCARE CORPORATION, INCORPORATED IN FLORIDA AND LICENSED TO CONDUCT AFFAIRS IN THIS STATE ON APRIL 28, 1997, AND MUST CONDUCT ALL AFFAIRS IN THIS STATE UNDER THE ASSUMED NAME OF ADVENTIST HEALTH SYSTEM, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS A FOREIGN CORPORATION IN GOOD STANDING AND AUTHORIZED TO CONDUCT AFFAIRS IN THE STATE OF ILLINOIS.



Authentication #: 1426901664

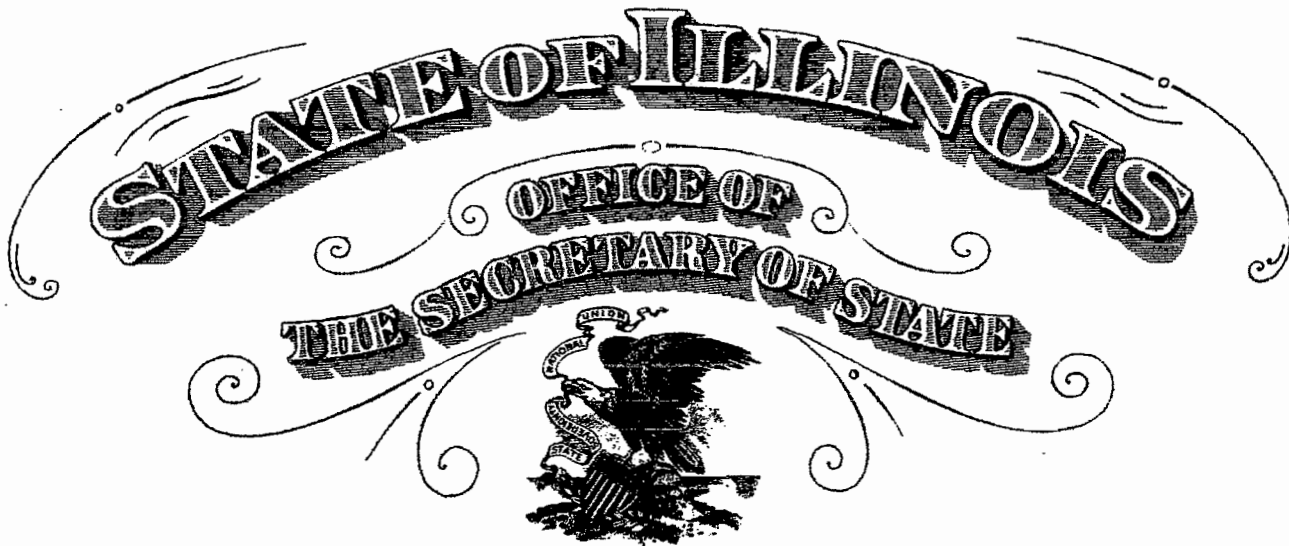
Authenticate at: <http://www.cyberdriveillinois.com>

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 26TH day of SEPTEMBER A.D. 2014

Jesse White

SECRETARY OF STATE

Attachment 4



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

ADVENTIST HINSDALE HOSPITAL, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON NOVEMBER 01, 1904, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



Authentication #: 1421300328

Authenticate at: <http://www.cyberdriveillinois.com>

In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 1ST
day of AUGUST A.D. 2014 .

Jesse White

SECRETARY OF STATE

ATTACHMENT 4



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

ADVENTIST BOLINGBROOK HOSPITAL, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON NOVEMBER 25, 2003, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



Authentication #: 1421300304

Authenticate at: <http://www.cyberdriveillinois.com>

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 1ST day of AUGUST A.D. 2014 .

Jesse White

SECRETARY OF STATE

ATTACHMENT 4

Adventist Bolingbrook Hospital
Operating Income Statement
As of DEC 13

DEC 12 Last Year Month	Budget Variance	DEC 13 Budget Month	DEC 13 Actual Month	DEC 13 Actual YTD	Budget YTD	Budget Variance	DEC 12 Last Year YTD	Change Fr. Last Yr.
Revenues								
35,199,203	4,674,424	33,321,450	37,995,874	414,914,392	406,934,647	7,979,745	396,303,576	18,610,816
2,111,822	-92,687	1,580,457	1,673,144	17,979,037	19,400,165	1,421,128	19,412,450	-1,433,414
24,334,010	-2,476,518	23,689,029	26,147,547	290,840,350	288,796,982	-2,093,368	280,998,905	9,801,445
372,026	-180,607	513,092	693,699	7,945,241	8,125,841	-1,780,599	6,345,137	1,599,704
8,381,544	1,922,611	7,558,872	9,481,483	98,189,765	92,670,396	5,519,369	89,266,054	8,923,710
23.8%	2.3%	22.7%	25.0%	23.7%	22.8%	0.9%	22.5%	1.1%
247,162	16,796	221,782	238,578	3,402,798	2,861,384	741,412	2,825,686	577,111
8,628,707	1,939,407	7,780,654	9,720,061	101,592,561	95,331,780	6,260,781	92,091,740	9,500,821
Expenses								
2,925,347	-65,007	2,900,376	2,995,383	34,106,157	34,619,714	513,557	32,815,348	1,290,809
34.6%	6.8%	37.3%	30.5%	36.3%	36.3%	2.7%	35.7%	-2.1%
916,823	136,159	900,393	784,234	10,727,794	10,785,133	57,339	10,656,989	70,805
906,285	-1,393,716	1,167,477	2,561,193	15,356,397	14,344,056	-1,012,341	11,751,962	3,604,435
1,111,503	-444,366	945,666	1,390,032	14,391,174	12,435,780	-1,955,384	12,471,497	1,918,677
1,065,900	-300,408	942,078	1,242,486	12,294,010	11,285,778	-998,232	10,540,717	1,753,293
113,930	9,201	123,140	113,939	1,313,612	1,477,680	164,068	1,570,771	-257,159
95,164	83,378	98,784	16,408	1,129,502	1,197,408	67,906	1,147,443	-17,941
127,527	21,199	159,897	138,698	1,643,919	1,816,714	172,795	1,817,842	-173,923
-4,944,229	1,536,441	415,489	-1,120,942	3,288,031	4,985,988	1,697,957	-1,645,467	4,933,498
2,318,251	-417,120	7,654,310	8,071,430	94,250,594	92,958,261	-1,292,333	81,127,101	13,123,494
6,310,456	1,522,287	126,344	1,848,631	7,341,967	2,373,519	4,968,448	10,964,639	-3,622,673
73.1%	15.3%	1.6%	17.0%	7.2%	2.5%	4.7%	11.9%	-4.7%
0	0	0	0	0	0	0	0	0
6,310,456	1,525,257	126,344	1,851,601	1,109,969	2,373,519	6,078,417	898,820	211,149
73.1%	15.4%	1.6%	17.0%	8.3%	2.5%	5.8%	11,863,459	-3,411,523
Capital & Other								
806,516	203,346	821,396	618,050	7,620,169	9,856,752	2,236,583	9,675,736	-2,055,568
-32,324	-29,571	-56,552	-26,981	-438,323	-641,852	-203,529	-377,920	-60,402
265,552	-2,260	209,617	211,877	2,535,923	2,515,404	-20,519	3,175,835	-639,912
5,206,054	1,755,914	-861,221	794,693	-2,142,479	-10,640,489	8,498,010	-1,366,033	-778,446
60.3%	20.5%	-12.4%	8.2%	-2.1%	-11.2%	9.1%	-1.8%	-0.6%
-68,908	70,324	-101,663	-31,339	-781,087	-1,155,288	374,211	-904,909	123,822
79,395	-32,631	113,129	145,760	1,328,961	1,357,548	28,587	1,295,506	33,455
482,001	282,788	292,788	292,788	351,308	351,308	0	562,313	-211,004
396,991	0	0	0	-3,901,219	-13,153,335	9,252,116	-2,607,145	-1,294,074
5,936,752	2,086,396	-1,176,013	910,383	-3,901,219	-13,153,335	9,252,116	-2,607,145	-1,294,074
68.6%	24.5%	-15.1%	9.4%	-3.8%	-13.8%	10.0%	-2.8%	-1.0%

ATTACHMENT 6

18

ADVENTIST BOLINGBROOK HOSPITAL

BALANCE SHEET

DECEMBER 31, 2013

	THIS MONTH	PRIOR MONTH	BEGIN. BALANCE THIS YEAR	INC/DEC (-) THIS YEAR
LIABILITIES				
CURRENT LIABILITIES				
ACCOUNTS PAYABLE	3,261,115.23	3,517,038.84	3,223,911.03	37,204.20
ACCRUED COMPENSATION PAYA	3,134,041.01	2,969,234.74	2,730,620.38	403,420.63
ACCRUED INTEREST PAYABLE	485,031.00	94,144.00	463,602.00	21,429.00
OTHER ACCRUED EXPENSES	83,574.44	77,732.03	186,260.58	(102,686.14)
PAYABLE TO THIRD PARTIES	9,757,042.38	11,238,975.31	10,593,068.88	(836,026.50)
NOTES AND LOANS PAYABLE	3,138,947.00	3,138,947.00	3,147,777.00	(8,830.00)
CURRENT PORTION-LONG DEBT	1,999,425.00	1,999,425.00	2,359,532.00	(360,107.00)
OTHER CURRENT LIABILITIES	6,334,999.33	3,780,049.65	2,574,374.60	3,760,624.73
TOTAL CURRENT LIABILITIES	28,194,175.39	26,815,546.57	25,279,146.47	2,915,028.92
LONG-TERM OBLIGATIONS				
BONDS PAYABLE	86,202,016.00	86,856,742.00	88,991,091.00	(2,789,075.00)
LEASES PAYABLE				
OTHER NON-CURRENT LIAB.	43,455.75	52,844.69	5,853.00	37,602.75
TOTAL LONG-TERM OBLIGATIONS	86,245,471.75	86,909,586.69	88,996,944.00	(2,751,472.25)
FUND BALANCE				
GENERAL FUND BALANCE				
ACCUMULATED EARNINGS	(3,901,218.55)	(4,811,601.10)	-	(3,901,218.55)
GENERAL FUND BALANCE	38,269,809.88	1,239,106.88	1,202,536.76	37,067,273.12
TOTAL GENERAL FUND BALANCE	34,368,591.33	(3,572,494.22)	1,202,536.76	33,166,054.57
DONOR RESTRICTED FUND BALANCE				
DONOR RESTRICTED FUND BAL	375,549.67	375,660.99	530,775.76	(155,226.09)
TOTAL FUND BALANCE	34,744,141.00	(3,196,833.23)	1,733,312.52	33,010,828.48
TOTAL LIABILITIES AND FUND BALANCE	149,183,788.14	110,528,300.03	116,009,402.99	33,174,385.15

ATTACHMENT 6