



LAST BEAM HOISTED

(Signed by employees, doctors, board members, Auxilians and well wishers)

50 PRIVATE PATIENT ROOMS IN 85,000 SQUARE FOOT ADDITION



WAYNE MEMORIAL HOSPITAL

An Affiliate of Wayne Memorial Health System, Inc.

FISCAL YEAR 2018 ANNUAL REPORT

July 1, 2017- June 30, 2018

July 1, 2017 – June 30, 2018

The future is literally within sight...

Fiscal Year 2018 proved challenging in many ways, but the construction of the new 85,000 square foot patient tower on the main campus buoyed expectations for a bright future. One year after breaking ground, the tower is on target to open in late spring 2019. The largest expansion in Wayne Memorial's history is fast becoming the reality envisioned by the hospital's board of trustees and administrators.

Net Patient Services Revenues were up close to 7.25% over FY 2017, and expenses rose modestly over the year before. Bottom line calculations were adjusted to account for both the construction project and payment differentials for inpatient services versus outpatient services, which are currently outpacing inpatient volumes. The construction project, which also includes renovations inside the hospital, is being financed through municipal bonds and other borrowing. The hospital is also actively pursuing grants and fresh opportunities as they are identified to minimize financing cost and to create a fund dedicated to purchasing new technologies and recruiting and retaining physicians.

"We are confident our new patient tower will be an asset to our operation," said CEO David L. Hoff. "It will incorporate 50 private patient rooms, which will reduce the potential for infection, as well as enhance privacy and communications between the patient and his or her clinical team. This project is a direct response to community needs, and we anticipate it will be well worth the money we have expended."

The new tower will also include state-of-the-art technology such as an advanced call bell system and electronic "white boards" for patient-provider communications.

Inside the hospital, renovations have been completed in the cafeteria, maternity, Wound Care and the Infusion/Chemotherapy clinic. More projects are underway, perhaps most spectacularly in what will be the new main lobby. Set to open sometime in late February or early March, the expanded lobby will offer private registration areas and a larger brighter gift shop.

In addition to construction projects, the hospital was officially designated a **Level IV Trauma Center** in FY 2018. Work also began to open an **inpatient geriatric psychiatry unit** on the hospital's 4th floor, which will be vacated when the new tower opens.

The hospital's independent affiliate, Wayne Memorial Community Health Centers, welcomed new physicians in FY 2018: **pediatrician Trupti Pandit, MD, FAAP; Charles Kovalchick, DO, Family Medicine; Daniel Murphy, MD, general surgeon; Tuhin Gupta, MD, psychiatrist; Samuel Ganz, DO, Internal Medicine; and Ramesh Pandit, MD, Internal Medicine.**

Last but far from least, Wayne Memorial has expressed interest in participating in a new revolutionary payment structure with the state, Medicare and private insurers. Called the "**PA Rural Health Model**," the new structure is designed to offer rural hospitals more financial stability and put increased emphasis on trying to keep people healthy. If approved, the plan will launch in January—and it could be, according to CEO David Hoff, "truly transformational for our community hospital and how we provide services." Stay tuned!

Wayne Memorial Hospital
Fiscal Year Ended June 30, 2018

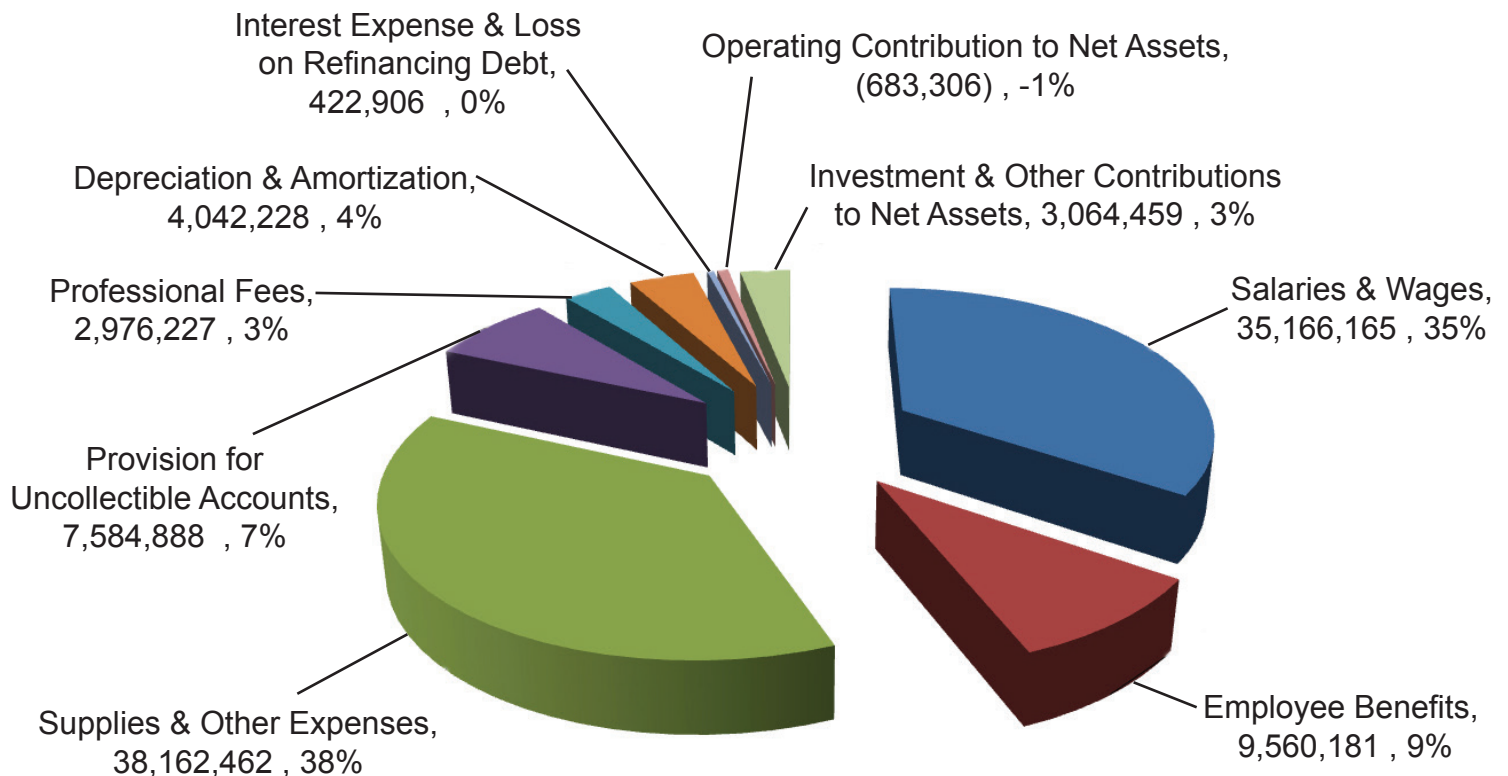
Revenue:

Net Patient Services Revenue	\$ 95,992,707
Employee Pharmacy, Cafeteria & Other Operating Income	1,239,044
Interest & Investment Income (Realized & Unrealized)	3,064,459

Total	\$100,296,210
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Salaries & Wages	\$ 35,166,165
Employee Benefits	9,560,181
Supplies & Other Expenses	38,162,462
Provision for Uncollectible Accounts	7,584,888
Professional Fees	2,976,227
Depreciation & Amortization	4,042,228
Interest Expense & Loss on Refinancing Debt	422,906
Operating Contribution to Net Assets	(683,306)
Investment & Other Contributions to Net Assets	3,064,459

Uses of Net Revenue for the Year Ended June 30, 2018



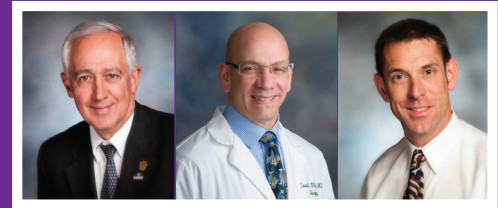
WAYNE MEMORIAL HEALTH SYSTEM & WAYNE MEMORIAL HOSPITAL



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