

Mercy Health Corporation
Obligated Group
Balance Sheet (in thousands)
As of December 31, 2016 and 2015

	12/31/16	12/31/15
ASSETS		
<u>Current Assets:</u>		
Cash and Cash Equivalents	\$ 106,795	\$ 111,464
Patient Accounts Receivable, Net	175,276	161,935
Supplies	23,679	21,471
Prepaid Expense	9,099	8,764
Current Portion of Assets Limited as to Use	8,000	8,000
Other Receivables	13,704	15,244
Total Current Assets	336,553	326,878
<u>Assets Limited as to Use</u>		
Trusteed Assets	495,474	66,777
Board Designated Investments	412,228	295,444
Total Assets Limited as to Use	907,702	362,221
<u>Property and Equipment, Net</u>	450,652	426,265
<u>Other Assets:</u>		
Investments in Joint Ventures	27,795	25,679
Other Long Term Assets	10,897	11,922
Total Other Assets	38,692	37,601
Total Assets	\$ 1,733,599	\$ 1,152,965
LIABILITIES AND NET ASSETS		
<u>Current Liabilities:</u>		
Current Maturities of Long-Term Debt	\$ 7,161	\$ 10,646
Accounts Payable	26,098	23,963
Due to Third-Party Payors	16,496	17,893
Accrued Salary and Benefits	58,256	59,576
Other Accrued Liabilities	25,302	29,798
Total Current Liabilities	133,313	141,876
Long-Term Debt, less Current Maturities	711,607	272,325
Accrued Liabilities Under Self Insurance	62,005	57,128
Pension Obligations	58,307	31,915
Accrued Postretirement medical benefits	6,449	6,050
Other Liabilities	39,353	45,016
Total Long-Term Debt, less Current	877,721	412,434
Total Liabilities	1,011,034	554,310
<u>Net Assets:</u>		
Unrestricted Net Assets	712,279	588,132
Temporarily Restricted Net Assets	7,661	7,898
Permanently Restricted Net Assets	2,625	2,625
Total Net Assets	722,565	598,655
Total Liabilities and Net Assets	\$ 1,733,599	\$ 1,152,965

Mercy Health Corporation
Obligated Group
Statement of Operations (in thousands)
Six Months Ended December 31, 2016 and 2015

	12/31/16	12/31/15
Revenue		
Net Patient Services Revenue	\$ 492,821	\$ 484,178
Other Operating Revenue	8,249	13,453
Net Revenue	501,070	497,631
Operating Expenses		
Salaries & Wages	246,036	238,811
Employee Benefits	45,270	43,819
Professional Fees and Purchased Services	55,357	50,158
Medical Supplies, Other Supplies, and Drugs	85,096	79,952
Insurance	7,856	9,042
Other Expenses	19,367	19,360
Depreciation & Amortization	24,351	24,204
Interest	5,607	5,807
Total Operating Expenses	488,940	471,153
Operating Income (Loss)	12,130	26,478
Non-Operating Income (Expense)	17,003	(11,698)
Excess (Deficiency) of Revenue over Expenses	<u>\$ 29,133</u>	<u>\$ 14,780</u>

MERCY HEALTH CORPORATION
QUARTERLY STATEMENT OF PROJECT STATUS
AS OF DECEMBER 31, 2016

Concrete crews continue to complete the foundation walls and footings with this work wrapping up in mid-January. Currently, 85% complete with foundation work, and all progress has been geared toward allowing structural steel erection to begin. Structural steel contractor is currently mobilizing and is in the process of setting up their first crane to begin steel erection at the northwest tower of the Hospital by the end of December. An additional crane is set to mobilize in early January to begin the erection of the southwest tower. Project team is currently reviewing grease interceptor construction and impacts to second crane location as original plan had the crane located near the grease interceptor. Underground utility work has been completed for the season leaving the shallow runs and building tie-ins to complete in the spring of 2017.

Of the approximately \$475 million project budget, \$45,085,323 has been utilized on engineering, professional fees and construction activities. The projected completion date remains June 2019.