

Mary Washington Healthcare and Subsidiaries

Consolidating Balance Sheet

June 30, 2017

	<u>June 30, 2017</u>
Assets	
Current Assets:	
Cash and short-term investments	\$ 54,747,938
Letter of Credit	\$ 150,000
Accounts receivable:	
Patient accounts receivable, less allowances	\$ 63,785,533
Settlements due from third parties	\$ (1,548,846)
Due from affiliates	\$ -
Insurance premiums	\$ 824,273
Other	\$ 3,281,033
Total accounts receivable	\$ 66,341,992
Notes receivable	\$ 50,954
Inventories	\$ 13,715,507
Prepaid expenses and other	\$ 14,506,721
Total current assets	\$ 149,513,112
Assets whose use is limited:	
Internally designated for healthcare programs and capital	\$ 230,974,652
Internally designated for malpractice claims	\$ 11,949,598
Externally restricted by donors	\$ 13,439,660
Externally restricted under bonds	\$ -
Other	\$ 199,207
	<u>\$ 256,563,116</u>
Property, plant and equipment	\$ 294,585,777
Other assets:	
Notes receivable	\$ 249,413
Deferred financing costs	\$ -
Miscellaneous	\$ 1,427,713
Equity in subsidiaries	\$ -
Total assets	<u><u>\$ 702,339,130</u></u>

Mary Washington Healthcare and Subsidiaries

Consolidating Balance Sheet - Continued

June 30, 2017

	<u>June 30, 2017</u>
Liabilities and net assets	
Current liabilities:	
Accounts payable and accrued expenses	\$ 26,421,546
Settlement due to third parties	\$ 280,551
Employee compensation and professional fees	\$ 33,292,997
Interest payable	\$ 437,724
Unearned Premiums	\$ 2,629,497
Pension liability, current portion	\$ -
Current maturities of long-term obligations	\$ 8,983,876
Total current liabilities	<u>\$ 72,046,191</u>
Long-term obligations, less current maturities	\$ 257,225,676
Other liabilities:	
Accrued losses on malpractice claims	\$ 14,117,696
Pension liability	\$ 60,629,215
Other	\$ 223,295
Total liabilities	<u>\$ 404,242,073</u>
Net assets	
Unrestricted - general	\$ 278,998,884
Unrestricted - noncontrolling interest	\$ 5,658,513
Temporarily restricted	\$ 12,181,450
Permanently restricted	\$ 1,258,210
Total net assets	<u>\$ 298,097,056</u>
Total liabilities and net assets	<u><u>\$ 702,339,130</u></u>

Mary Washington Healthcare and Subsidiaries

Consolidating Statement of Operations

June 30, 2017

	<u>June 30, 2017</u>
Revenue and other support:	
Net patient service revenue	
Patient service revenue (net of contractual allowances)	\$ 326,459,200
Provision for bad debts	\$ (33,024,576)
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Retail and pharmacy sales	\$ 293,434,624
Rental of facilities	\$ 2,718,679
Management and personnel services	\$ 1,347,190
Investment Income	\$ 3,763,652
Unrestricted contributions	\$ 2,505,891
Other	\$ 194,923
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Total revenues	\$ 10,054,234
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Expenses:	
Salaries and wages	\$ 112,506,437
Employee benefits	\$ 26,205,678
Contract personnel	\$ 5,588,303
Professional fees	\$ 25,977,090
General and administrative	\$ 7,727,192
Provisions for depreciation and amortization	\$ 21,379,661
Interest	\$ 4,896,723
Cost of retail goods sold	\$ 2,333,891
Contract services	\$ 29,760,533
Supplies	\$ 51,739,447
Utilities	\$ 2,607,698
Insurance	\$ 2,768,752
Rent	\$ 4,788,211
Other	\$ 2,399,601
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Total expenses	\$ 300,679,218
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Gain (loss) from operations	\$ 13,339,975
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Nonoperating gains:	
Net appreciation of investments	\$ 13,588,660
Gain (loss) on disposal of fixed assets	\$ 22,103
Gain (loss) on investment in partnerships and other	\$ 132,533
Gain (loss) on defeasance of bonds	\$ -
Equity in Subsidiaries	\$ -
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Excess (deficit) of revenues, gains and other support over expenses and losses before noncontrolling interest	<hr/> <hr/> \$ 27,083,271

Mary Washington Healthcare Obligated Group

Combining Balance Sheet

June 30, 2017

	<u>June 30, 2017</u>
Assets	
Current Assets:	
Cash and short-term investments	\$ 42,353,994
Letter of Credit	\$ -
Accounts receivable:	
Patient accounts receivable, less allowances	\$ 54,551,017
Due from affiliates	\$ 11,122,242
Settlements due from third parties	\$ (1,548,846)
Insurance premiums	\$ 291,653
Other	\$ 2,800,894
Total accounts receivable	\$ 67,216,959
Notes receivable	\$ 50,954
Inventories	\$ 12,080,790
Prepaid expenses and other	\$ 13,148,340
Total current assets	\$ 134,851,037
Assets whose use is limited:	
Internally designated for healthcare programs and capital	\$ 226,748,502
Externally restricted by donors	\$ 12,425,884
Externally restricted under bonds	\$ -
Other	\$ 199,207
	<u>\$ 239,373,593</u>
Property, plant and equipment	\$ 287,418,683
Other assets:	
Notes receivable	\$ 249,413
Deferred financing costs	\$ -
Miscellaneous	\$ 1,018,439
Equity in subsidiaries	\$ 20,429,843
	<u>20,429,843</u>
Total assets	<u><u>\$ 683,341,007</u></u>

Mary Washington Healthcare Obligated Group

Combining Balance Sheet - Continued

June 30, 2017

	<u>June 30, 2017</u>
Liabilities and net assets	
Current liabilities:	
Accounts payable and accrued expenses	\$ 23,840,255
Due to affiliates	\$ -
Settlement due to third parties	\$ 280,551
Employee compensation and professional fees	\$ 30,480,882
Interest payable	\$ 437,724
Pension liability, current portion	\$ -
Current maturities of long-term obligations	\$ 8,694,219
Total current liabilities	<u>\$ 63,733,630</u>
Long-term obligations, less current maturities	\$ 256,647,348
Other liabilities:	
Accrued losses on malpractice claims	\$ 3,970,170
Pension liability	\$ 60,629,215
Other	\$ 223,295
Total liabilities	<u>\$ 385,203,658</u>
Net assets	
Unrestricted - general	\$ 283,683,913
Unrestricted - noncontrolling interest	\$ -
Temporarily restricted	\$ 13,195,226
Permanently restricted	\$ 1,258,210
Total net assets	<u>\$ 298,137,349</u>
Total liabilities and net assets	<u><u>\$ 683,341,007</u></u>

Mary Washington Healthcare Obligated Group

Consolidating Statement of Operations

June 30, 2017

	<u>June 30, 2017</u>
Revenue and other support:	
Net patient service revenue	
Patient service revenue (net of contractual allowances)	\$ 279,517,624
Provision for bad debts	\$ (31,769,817)
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	\$ 247,747,807
Retail and pharmacy sales	\$ -
Rental of facilities	\$ 3,681,830
Management and personnel services	\$ 5,172,211
Investment Income	\$ 2,320,261
Unrestricted contributions	\$ 213,243
Other	\$ 7,814,901
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Total revenues	\$ 266,950,253
Expenses:	
Salaries and wages	\$ 91,205,152
Employee benefits	\$ 21,640,739
Contract personnel	\$ 4,796,079
Professional fees	\$ 23,842,954
General and administrative	\$ 6,695,381
Provisions for depreciation and amortization	\$ 20,453,864
Interest	\$ 4,869,393
Contract services	\$ 25,416,076
Supplies	\$ 47,619,212
Utilities	\$ 2,469,558
Insurance	\$ 1,768,111
Rent	\$ 3,903,564
Other	\$ 2,272,460
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Total expenses	\$ 256,952,543
Gain (loss) from operations	\$ 9,997,710
Nonoperating gains:	
Net appreciation of investments	\$ 12,692,219
Gain (loss) on disposal of fixed assets	\$ 15,216
Gain (loss) on investment in partnerships and other	\$ 87,929
Gain (loss) on defeasance of bonds	\$ -
Equity in Subsidiaries	\$ 807,825
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Excess (deficit) of revenues, gains and other support over expenses and losses before noncontrolling interest	<hr/> <hr/> \$ 23,600,899