

Senior Management

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■ Profile

Type: Freestanding acute care research and teaching hospital with 672 licensed beds including 37 obstetric, 46 medical rehabilitation, 89 psychiatry beds, satellite outpatient centers in Key Biscayne, Hialeah, Coral Gables, North Miami Beach, Sunny Isles Beach, Marathon and Key West, a satellite outpatient diagnostic center, and a free-standing emergency room in Aventura.

Location: Miami Beach, Florida

Issue: Second quarter 2017 financial operating results

■ Organization

Established in 1946, Mount Sinai Medical Center (MSMC) is the only licensed hospital in Miami Beach and offers a wide range of tertiary services. MSMC offers a comprehensive range of specialty and subspecialty services and is known for its expertise in thoracic and cardiovascular surgery. MSMC also offers a wide variety of oncology services in its Comprehensive Cancer Center ("CCC").

The Mount Sinai Medical Center Foundation is a separate tax-exempt organization whose sole purpose is to support the activities of the hospital.

■ Management Discussion

The Medical Center continues to execute on its strategic initiatives, remaining on track with its surgery tower and emergency department capital projects, expanding its network of satellite facilities and its physician enterprise and developing its clinically integrated network, while maintaining its operating efficiency, reflected by its Operating and EBDITA margins through the second quarter of the current year of 3.1% and 10.0% respectively.

Mount Sinai Medical Center's (MSMC) excess revenues over expenses produced a net income of \$3.9 million for the

second quarter ended June 30, 2017 as compared to a net income of \$4.6 million for the quarter ended June 30, 2016 and a budgeted net income of \$5.7 million. On a year-to-date basis, the Medical Center's operations have produced a net income of \$10.5 million as compared to a net income of \$15.7 million in the prior year and \$11.3 million as budgeted.

Having risen approximately \$18.3 million in the current year, the Foundation continues to show significant growth with Net Assets as of the current quarter of approximately \$190.8 million compared to \$151.7 million in the prior year.

Net Revenue for the current quarter was \$152.6 million compared to \$146.0 million in the prior year and \$152.5 million as budgeted, showing an increase of 4.5% as compared to the prior year and remaining flat as compared to budget. On a year-to-date basis, the Medical Center's Net Revenues were \$307.7 million in the current year compared to \$296.7 million in the prior year and \$310.0 million as budgeted, representing a 3.7% increase as compared to the prior year and a decrease of (0.8%) as compared to budget. On a year-to-date basis, the Medical Center's inpatient admissions have increased by 1.4% (+164) as compared to the prior year and trails its budget by (0.5%)(-54). The Medical Center's emergency room visits decreased by (2.9%), or (-1,140) visits, over the prior year. The Medical Center also has seen a decrease in its surgical volume of (3.0%), as compared to the prior year. In addition, the Medical Center experienced decreases, as compared to the prior year, in open heart surgeries (-26.3%), cardiac catheterizations (-9.7%), as well as angioplasties (-12.2%). The Medical Center's satellites showed an increase in new patient encounters of 10.4% as compared to the same period of the prior year.

For the current quarter, the Medical Center incurred operational expenses of \$148.7 million compared to \$141.4 million in the prior year and \$146.8 million as budgeted, showing an increase as compared to the prior year of 5.2% and an increase as compared to budget of 1.3%. On a year-to-date basis, the Medical Center's operational expenses were \$297.2 million for the current year compared to \$281.0 million in the prior year and \$298.7 million as budgeted, showing an increase of 5.8% as compared to the prior year and a decrease of (0.5%) as compared to budget. The Medical Center experienced an increase in salaries and wages of 5.7% as compared to the prior year and a decrease as compared to budget of (2.3%). The increase in salaries and wages was primarily driven by the impact of annual merit increases. Additionally, the Medical Center saw an increase in supplies expense of 10.1% as compared to the prior year and a decrease of (4.1%) as compared to budget. The increase in supply expense as compared to the prior year was driven primarily by high-cost implants and high-cost pharmaceuticals, attributed to the provision of oncological services. Further, the Medical Center continues to benefit from its positive claims experience, showing a reduction in malpractice and insurance expense of (17.9%) and (18.9%) as compared to the prior year and budget, respectively.

**Consolidated Statement of Revenues
and
Expenses**
For the Quarter Ended June 30, 2017
(Amounts in 000's)

	2017 Q2 Actual	2016 Q2 Actual	Variance	2017 Q2 Budget	Variance
Net Patient Service Revenue	\$141,895	\$137,475	\$4,420	\$144,280	\$(2,385)
Other Operating Revenues	8,086	6,883	1,203	6,810	1,276
Net Assets Released from Restrictions	2,621	1,615	1,006	1,415	1,206
Total Operating Revenues	\$152,602	\$145,973	\$6,629	\$152,505	\$97
Operating Expenses:					
Salaries and Benefits	\$77,676	\$73,862	\$3,814	\$77,487	\$189
Supplies	30,677	30,965	(288)	31,764	(1,087)
Malpractice & Other Insurance	5,677	5,698	(21)	6,773	(1,096)
Interest Expense	3,512	3,301	211	3,399	113
Depreciation & Amortization	8,407	7,349	1,058	7,712	695
Other Expenses	22,755	20,177	2,578	19,621	3,134
Total Operating Expenses	\$148,704	\$141,352	\$7,352	\$146,756	\$1,948
Net Income (Loss)	\$3,898	\$4,621	\$(723)	\$5,749	\$(1,851)
Increase (Decrease) in Unrestricted Net Assets	\$3,898	\$4,621	\$(723)	\$5,749	\$(1,851)

	2017 Q2 Actual	2016 Q2 Actual	Variance	2017 Q2 Budget	Variance
Profitability Ratios (%)					
Operating Margin	2.3%	2.9%	(0.6%)	3.4%	(1.1%)
EBITDA Margin	9.4%	9.5%	(0.1%)	10.0%	(0.6%)
Operational Ratios (%)					
Personnel Costs as % of Net Operating Revenue	46.2%	45.8%	0.4%	46.2%	0.0%
Supply Costs as % of Net Operating Revenue	18.2%	19.2%	(1.0%)	18.9%	(0.7%)

Consolidated Statement of Revenues

and Expenses Y-T-D through June 30, 2017 (Amounts in 000's)	2017 YTD Actual	2016 YTD Actual	Variance	2017 YTD Budget	Variance
Net Patient Service Revenue	\$288,022	\$277,878	\$10,144	\$293,068	\$(5,046)
Other Operating Revenues	15,234	15,816	(582)	14,152	1,082
Net Assets Released from Restrictions	4,414	2,994	2,994	2,803	1,611
Total Operating Revenues	\$307,670	\$296,688	\$10,982	\$310,023	\$(2,353)
Operating Expenses:					
Salaries and Benefits	\$155,661	\$146,008	\$9,653	\$157,723	\$(2,062)
Supplies	62,627	61,323	1,304	65,310	(2,683)
Malpractice & Other Insurance	11,289	13,749	(2,460)	13,918	(2,629)
Interest Expense	6,919	6,592	327	6,789	130
Depreciation & Amortization	16,747	14,617	2,130	15,343	1,404
Other Expenses	43,936	38,712	5,224	39,591	4,345
Total Operating Expenses	\$297,179	\$281,001	\$16,178	\$298,674	\$(1,495)
Net Income (Loss)	\$10,491	\$15,687	\$(5,196)	\$11,494	\$(858)
Increase (Decrease) in Unrestricted Net Assets	\$10,491	\$15,687	\$(5,196)	\$11,494	\$(858)

	2017 YTD Actual	2016 YTD Actual	Variance	2017 YTD Budget	Variance
Profitability Ratios (%)					
Operating Margin	3.1%	4.8%	(1.7%)	3.3%	(0.2%)
EBITDA Margin	10.0%	11.2%	(1.2%)	9.8%	0.2%
Operational Ratios (%)					
Personnel Costs as % of Net Operating Revenue	45.6%	44.5%	1.2%	46.1%	(0.5%)
Supply Costs as % of Net Operating Revenue	18.4%	18.7%	(0.3%)	19.1%	(0.7%)

**Consolidated
Balance Sheet**
(Amounts in 000's)

As of
June 30, 2017

As of
June 30, 2016

Current Assets	\$384,487	\$381,002
Assets Limited as to Use	65,293	101,333
Assets held by Mount Sinai Medical Center Foundation, Inc.	190,770	151,596
Receivable for Insured Claims	17,038	17,940
Other Assets	3,597	6,654
Property, Plant and Equipment, Net	275,178	221,141
Total Assets	\$936,363	\$879,665
Current Liabilities	\$121,721	\$122,568
Other Liabilities	66,405	73,262
Long-Term Debt, Less Current Portion	316,016	307,571
Net Assets - Unrestricted	241,451	224,669
Net Assets - Restricted	190,770	151,596
Total Liabilities and Net Assets	\$936,363	\$879,665

Liquidity and Other Ratios

Days Cash on Hand	186.2	190.8
Days in Accounts Receivable	40.0	42.2
Cushion Ratio (x)	13.0	16.2
Payment Period (Days)	78.6	83.7
Unrestricted Cash / Long Term Debt (%)	91.3%	90.8%
Maximum Annual Debt Service Coverage Ratio (x)	2.4	3.2

Combined Group (1)

Days Cash on Hand	226.3	225.3
Unrestricted Cash / Long Term Debt (%)	110.9%	107.2%
Maximum Debt Service Coverage Ratio (x)	3.5	3.4
Annual Debt Service Coverage Ratio (x)	3.5	3.4

(1) Members of the Combined Group include the Medical Center, less its subsidiaries, and the Foundation

Consolidated Statements of Changes in Net Assets (Amounts in 000's)	YTD as of June 30, 2017	YTD as of June 30, 2016
UNRESTRICTED NET ASSETS		
(Deficiency) Excess Revenues over Expenses	\$10,490	\$15,687
Net Assets Released from Restrictions	1,157	7,222
Extraordinary loss on bond defeasance	-	-
Net change in unrealized gains on investments	-	-
Increase (decrease) in unrestricted net assets	<u>\$11,647</u>	<u>\$7,222</u>
TEMPORARILY RESTRICTED NET ASSETS		
Temporarily restricted grants and contributions	\$5,570	\$10,216
Change in beneficial interest in net assets of Mount Sinai Medical Center Foundation, Inc.	18,454	2,827
Net Assets Released from Restrictions	(5,570)	(10,216)
Increase (decrease) in restricted net assets	<u>\$18,454</u>	<u>\$2,827</u>
INCREASE/(DECREASE) IN NET ASSETS	\$30,101	\$25,736
NET ASSETS, BEGINNING OF YEAR	\$402,121	\$350,529
ASSETS, END OF YEAR	<u>\$432,222</u>	<u>\$376,265</u>

■ Material Event Disclosure

Pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(I)(C) and (D) the following is a listing of reportable events over the last quarter.

Reportable Events	Status
Principal and interest payment delinquencies	None
Non-payment related defaults	None
Modifications to rights of Bondholders	None
Optional, contingent or unscheduled bond calls	None
Defeasances	None
Rating changes	None
Adverse tax opinions or events affecting the tax-exempt status of the Bonds	None
Unscheduled draws on debt service reserves reflecting financial difficulties	None
Unscheduled draws on credit enhancements reflecting financial difficulties	None
Substitution of credit or liquidity providers, or their failure to perform	None
Release, substitution or sale of property securing repayment of the Bonds	None

MOUNT SINAI MEDICAL CENTER

QUARTER UTILIZATION STATISTICS

	2ND QUARTER 2017	2ND QUARTER 2016	% Var
Inpatient			
Licensed Beds	672	672	0.0%
Staffed Beds for Immediate Use	608	608	0.0%
Percent Occupancy of Staffed Beds	29.5%	29.1%	1.6%
Patient Days	32,474	31,972	1.6%
Admissions	5,786	5,646	2.5%
Average Length of Stay	5.6	5.7	-0.9%
Outpatient Visits			
Emergency Room	18,179	18,622	-2.4%
Ambulatory Surgery	1,933	1,859	4.0%
Observation Visits	1,493	1,535	-2.7%
Selected Ancillary Departments			
Cardiac Catheterizations	798	902	-11.5%
IP Surgical Procedures	1,486	1,551	-4.2%
Open Heart Surgeries	198	248	-20.2%
Cardiac Angioplasties	275	346	-20.5%
Laboratory Tests	273,716	264,275	3.6%
MRI Scans	2,790	2,577	8.3%
Live Births	644	640	0.6%

MOUNT SINAI MEDICAL CENTER
YTD UTILIZATION STATISTICS

	2ND QTR 2017	2ND QTR 2016	% Var	FYE 2016	FYE 2015	FYE 2014	FYE 2013
Inpatient							
Licensed Beds	672	672	0.0%	672	672	672	672
Staffed Beds for Immediate Use	608	608	0.0%	608	608	608	613
Percent Occupancy of Staffed Beds	61.2%	60.5%	1.2%	79.5%	59.7%	60.7%	60.8%
Patient Days	67,376	66,556	1.2%	131,392	132,548	134,720	136,047
Admissions	11,902	11,738	1.4%	23,312	22,682	22,613	22,742
Average Length of Stay	5.7	5.7	0.5%	5.6	5.8	6.0	6.0
Outpatient Visits							
Emergency Room	37,633	38,773	-2.9%	75,040	72,479	69,147	64,820
Ambulatory Surgery	3,712	3,766	-1.4%	7,301	7,322	6,651	6,354
Observation Visits	2,990	2,987	0.1%	5,729	5,529	5,333	4,557
Selected Ancillary Departments							
Cardiac Catheterizations	1,656	1,834	-9.7%	3,425	3,356	3,038	3,215
IP Surgical Procedures	3,059	3,212	-4.8%	6,219	6,069	5,506	5,915
Open Heart Surgeries	355	482	-26.3%	855	878	860	832
Cardiac Angioplasties	640	729	-12.2%	1,385	1,328	1,162	1,186
Laboratory Tests	566,726	547,232	3.6%	1,060,687	1,074,831	1,055,641	1,067,209
MRI Scans	5,519	5,255	5.0%	10,322	10,147	9,438	9,571
Live Births	1,302	1,321	-1.4%	2,678	2,711	2,822	2,710

Year to Date Payor Mix	2ND QTR 2017	FYE 2016	FYE 2015	FYE 2014	FYE 2013	17-16 Var
Medicare	28.1%	29.2%	30.9%	33.1%	34.6%	-3.8%
Medicaid	3.5%	3.9%	3.9%	7.9%	10.7%	-10.3%
Managed Care / Commercial	23.9%	24.7%	25.0%	23.4%	22.2%	-3.2%
Managed Care Medicare	25.2%	23.9%	22.2%	19.0%	18.9%	5.4%
Managed Care Medicaid	9.7%	8.9%	8.2%	5.8%	3.7%	9.0%
Self Pay	9.6%	9.4%	9.9%	11.0%	9.9%	2.1%

Mount Sinai Medical Center of Florida, Inc. and Subsidiaries

BS as of 06/30/17, (\$000's)

ASSETS:

CURRENT ASSETS:

Cash and cash equivalents	36,573	32,205	39,284	138,417	92,817
Temporary investments	251,415	223,611	222,393	130,610	153,439
Patient accounts receivable, net	71,489	69,362	68,655	69,542	67,732
Other receivables, net	1,313	4,832	6,166	2,650	1,333
Inventories	10,325	9,602	10,369	7,831	7,830
Prepaid and Other	13,373	12,089	10,756	11,280	4,018

Total current assets

\$	384,488	\$	351,701	\$	357,623	\$	360,330	\$	327,169
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ASSET'S WHOSE USE IS LIMITED:

Funds held by trustee	57,264	74,557	105,251	122,744	22,122
Self-insurance trust fund	60	1,378	3,226	2,700	2,651
Other investments	7,969	7,962	4,872	4,881	4,885

Total assets whose use is limited

\$	65,293	\$	83,897	\$	113,349	\$	130,325	\$	29,658
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Beneficial interest in Mount Sinai Medical Center	190,770	172,317	148,769	138,872	121,365
PP&E, net	275,178	255,548	204,161	161,857	162,559
Assets Held for Sale	-	-	-	-	-
Receivable for Insured Claims	17,038	17,038	17,940	16,931	19,318
Other Assets	3,597	2,284	2,395	5,587	6,026

TOTAL ASSETS

\$	936,364	\$	882,785	\$	844,237	\$	813,902	\$	666,095
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable and accrued expenses	21,616	27,966	29,123	36,878	27,683
Accrued wages, salaries and benefits	25,365	26,623	23,136	30,335	26,786
Indigent care assessment, current portion	4,933	4,851	4,653	4,568	4,375
Other current liabilities	34,085	36,508	35,745	37,417	9,247
Due to third party payors	12,789	14,972	17,690	18,021	17,478
Current portion of long-term debt	22,934	20,446	13,668	12,335	15,979
Due to Salick	-	-	-	-	1,376

Total current liabilities

\$	121,722	\$	131,366	\$	124,015	\$	139,554	\$	102,924
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Long Term Debt, net of current portion	316,016	286,821	303,722	316,409	224,096
Indigent Care assesment, net current portion	3,495	3,285	3,062	3,033	3,030
Other Long Term liabilities	353	325	284	268	978
Reserve for self insured claims, net current portion	62,557	58,866	62,625	64,909	83,799

Total liabilities

\$	504,143	\$	480,663	\$	493,708	\$	524,173	\$	414,827
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NET ASSETS:

Unrestricted	241,451	229,805	201,760	150,858	129,904
Temporarily restricted	180,226	161,773	138,622	133,582	116,074
Permanently restricted	10,544	10,544	10,146	5,290	5,290

Total net assets

\$	432,221	\$	402,122	\$	350,528	\$	289,730	\$	251,268
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TOTAL

\$	936,364	\$	882,785	\$	844,236	\$	813,903	\$	666,095
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Mount Sinai Medical Center of Florida, Inc. and Subsidiaries
OPS as of 06/30/17, (\$000's)

	2ND QUARTER 2017	FYE 2016 Audited	FYE 2015 Audited	FYE 2014 Audited	FYE 2013 Audited
UNRESTRICTED REVENUES AND OTHER SUPPORT:					
Net patient service revenue	\$ 321,407	\$ 614,563	\$ 606,892	\$ 572,641	\$ 555,360
Other revenue	15,234	28,485	23,214	25,792	27,668
Contribution from Foundation	-	-	-	-	-
Provision for doubtful accounts	(33,384)	(79,107)	(91,574)	(71,954)	(66,250)
Inherent contribution	-	-	-	-	-
Net assets released from temp. restrictions by Foundation	-	736	616	667	649
Net assets released from temp. restrictions for research and other	4,413	2,315	1,570	2,080	2,224
Total unrestricted revenues and other support	\$ 307,670	\$ 566,992	\$ 540,718	\$ 529,226	\$ 519,651
EXPENSES:					
Wages, salaries and benefits	155,661	296,625	268,529	258,672	242,420
Supplies	62,627	121,504	113,881	104,555	100,496
Malpractice & other insurance, net	10,145	13,943	8,636	30,403	23,413
Administrative and general	42,089	70,643	68,577	71,568	67,995
Depreciation and amortization	16,747	28,804	26,085	26,049	26,629
Interest expense	6,919	10,744	12,219	11,423	11,103
Indigent care assessment	2,992	5,944	5,572	5,585	5,562
Management fees	-	-	-	-	359
Loss on Extinguishment of Debt	-	-	-	4,500	-
Impairment of Long Lived Asset	-	-	-	-	-
Other operating expenses	-	-	-	-	-
Total expenses	\$ 297,180	\$ 548,207	\$ 503,499	\$ 512,755	\$ 477,977
INC / (DEFICIENCY) OF REVS. OVER EXPS.	\$ 10,490	\$ 18,785	\$ 37,219	\$ 16,471	\$ 41,674
UNRESTRICTED NET ASSETS:					
Deficiency of revenues over expenses	10,490	18,785	37,219	16,471	41,674
Foundation transfer	-	-	-	-	-
Contributions from the Mount Sinai Medical Center Foundation, Inc.for CAPEX	-	-	-	13	-
Net assets released from temporary restrictions used for capital purposes	1,157	9,260	13,683	4,470	612
Equity transfer	-	-	-	-	-
Net unrealized gains or (losses) on investments	-	-	-	-	-
Extraordinary loss on bond defeasance	-	-	-	-	-
Increase / (Decrease) in unrestricted net assets	\$ 11,647	\$ 28,045	\$ 50,902	\$ 20,954	\$ 42,286
TEMPORARILY RESTRICTED NET ASSETS:					
Temporarily restricted grants and contributions	5,570	12,310	15,869	7,217	3,485
Equity transfer	-	-	-	-	-
Net assets released from restrictions	(5,570)	(12,310)	(15,869)	(7,217)	(3,485)
Change in beneficial interest in net assets of MSMC Foundation, Inc.	18,454	23,151	5,040	17,509	15,042
Increase / (Decrease) in temp. rest. net assets	\$ 18,454	\$ 23,151	\$ 5,040	\$ 17,509	\$ 15,042
PERMANENTLY RESTRICTED NET ASSETS:					
Change in beneficial interest in net assets of MSMC Foundation, Inc.	-	397	4,857	-	(380)
Increase (decrease) in permanently restricted net assets	-	397	4,857	-	(380)
INCREASE / (DECREASE) IN NET ASSETS	\$ 30,101	\$ 51,593	\$ 60,799	\$ 38,463	\$ 56,948
NET ASSETS, BEGINNING OF YEAR	\$ 402,122	\$ 350,529	\$ 289,730	\$ 251,267	\$ 194,319
NET ASSETS, END OF YEAR	\$ 432,223	\$ 402,122	\$ 350,529	\$ 289,730	\$ 251,267

Mount Sinai Medical Center of Florida, Inc. and Subsidiaries
CashFlows as of 06/30/17, (\$000's)

	2ND QUARTER		FYE 2016		FYE 2015		FYE 2014		FYE 2013	
	2017		Audited		Audited		Audited		Audited	
CASH FLOWS FROM OPERATING ACTIVITIES:										
Increase (decrease) in net assets	\$	30,101	\$	51,593	\$	60,799	\$	38,463	\$	56,948
Adj. to rec.Chg. in net assets to net cash provided by operating activities:										
Depreciation and amortization		16,747		28,804		26,357		26,375		27,031
Provision for doubtful accounts		33,385		79,107		66,657		71,954		66,250
Non Cash Purchase Discount		(1,127)		(1,828)		(2,032)		(1,940)		
(Gain) loss on disposal of PP&E		-		(1)		(152)		(2)		72
Loss on Extinguishment of Bond / Amortization of Bond		(534)		(1,099)		(1,398)		(1,009)		(923)
Gain on Sale of Business / Loss on impairment of Assets		-		-		-		4,500		-
Inherent Contribution/Insurance proceeds used for Capital Expenditures		(1,157)		(9,260)		(13,683)		-		-
Change in beneficial interest in Mount Sinai Medcial Center Foundation		(18,454)		(23,548)		(9,897)		(17,508)		(14,662)
Change in net unrealized losses (gains) on invest		-		374		510		375		825
Increase in accounts receivable		(35,031)		(79,814)		(65,770)		(73,764)		(73,937)
(Increase) Decrease in other receivables		663		353		491		(1,317)		1,336
(Increase) Decrease in estimated third-party settlements		(2,184)		(2,719)		(330)		543		8,908
Increase in inventories		(723)		767		(2,538)		(1)		522
Decrease (Increase) in prepaid expenses and other Current Assets		(1,283)		(1,333)		526		(7,263)		260
Decrease (Increase) in other non Current Assets		-		1,939		1,581		2,445		-
Decrease in other assets		(186)		-		-		-		(644)
(Decrease) Increase in due to Comprehensive Cancer Center		-		-		-		-		337
Increase (Decrease) in AP and accrued expenses		260		(1,785)		(9,085)		5,012		(4,885)
Increase (Decrease) in accrued wages, salaries and benefits		(1,259)		3,487		(7,199)		3,549		2,044
Increase in indigent care assessment		291		421		114		196		251
Increase in other current liabilities		(3,552)		(731)		1,269		26,794		2,537
Increase in Receivable for insured claims		-		902		(1,010)		2,387		(2,179)
Increase in other long-term liabilities		28		42		16		(710)		659
Increase (Decrease) in reserve for self-insured claims		3,691		(3,759)		(2,284)		(18,890)		11,337
Net cash generated (used) in operating activities	\$	19,676	\$	41,912	\$	42,942	\$	60,189	\$	82,087
CASH FLOWS FROM INVESTING ACTIVITIES:										
Purchases of PP&E		(41,631)		(74,124)		(60,888)		(21,722)		(14,255)
Proceeds from restricted grants for Capital purposes		5,143		9,900		6,940		48		67
Acquisitions of Cancer Center/Proceeds from sales of Business, net		-		-		-		-		-
Purchases of investments		(28,305)		(73,119)		(133,618)		(65,075)		(127,280)
Proceeds from sales and maturities of temp. invest.		-		71,622		41,271		87,451		132,374
Assets whose use is limited:										
Purchases of investments		(13,419)		(218,816)		(267,543)		(152,866)		(29,151)
Proceeds from sales of investments		32,041		248,174		284,572		52,277		26,659
Net cash used in investing activities	\$	(46,171)	\$	(36,363)	\$	(129,266)	\$	(99,887)	\$	(11,586)
CASH FLOWS FROM FINANCING ACTIVITIES:										
Debt financing costs / Proceeds from grants for Capital Purpose		-		1,862		-		(3,429)		-
Proceeds from issuance of debt		34,845		-		-		181,734		6,944
Repayment of Capital Lease		(2,495)		(8,790)		(4,209)		(6,315)		(10,485)
Repayment of long-term debt		(1,488)		(5,700)		(8,600)		(87,202)		(10,218)
Net cash provided by (used in) financing activities	\$	30,862	\$	(12,628)	\$	(12,809)	\$	84,788	\$	(13,759)
Net (decrease) increase in cash and cash equivalents	\$	4,368	\$	(7,078)	\$	(99,132)	\$	45,091	\$	56,743
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	\$	32,205	\$	39,284	\$	138,417	\$	92,817	\$	36,074
CASH AND CASH EQUIVALENTS, END OF YEAR	\$	36,573	\$	32,205	\$	39,284	\$	138,417	\$	92,817

SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:

Cash paid for interest, net of amounts capitalized of \$2,383,000 in 2016 and \$1,103,000 in 2015, was \$11,704,000 in 2016 and \$13,107,000 in 2015.

NONCASH INVESTING AND FINANCING ACTIVITIES -

Acquisition of equipment through Note Payable or Capital Leases was \$1,355,000 in 2017, \$5,466,000 in 2016, and \$6,225,000 in 2015

Mount Sinai Medical Center of Florida, Inc. and Subsidiaries
Ratios as of 06/30/17, (\$000's)

RATIOS	2ND QUARTER 2017	FYE 2016 Audited	FYE 2015 Audited	FYE 2014 Audited	FYE 2013 Audited
<u>Liquidity:</u>					
Cash & Investments	\$ 287,988	\$ 255,816	\$ 261,677	\$ 269,027	\$ 246,256
Patient AR doubtful allowance	\$ 40,704	\$ 43,238	\$ 36,078	\$ 42,259	\$ 44,971
Accumulated depreciation	\$ 302,151	\$ 289,962	\$ 272,838	\$ 261,520	\$ 242,953
Investment Income	\$ 1,714,246	\$ 3,063,000	\$ 2,409,874	\$ 1,701,558	\$ 1,386,720
Current (%)	316%	268%	288%	258%	318%
Cash & investments to debt (%)	91.1%	89.2%	86.2%	85.0%	109.9%
# days revenue in gross recievable	63.2	66.9	63.0	71.3	74.1
# days revenue in net recievable	40.3	41.2	41.3	44.3	44.5
# days expenses of cash on hand	185.9	179.8	200.1	201.8	199.1
# days expenses in payables	78.6	92.3	94.8	104.7	83.2
Net working capital	\$ 262,766	\$ 220,335	\$ 233,608	\$ 220,776	\$ 224,245
<u>Leverage:</u>					
Long Term Debt to Assets %	33.7%	32.5%	36.0%	38.9%	33.6%
Long Term Debt to Equity %	131%	125%	151%	210%	173%
Long Term Debt to Capitalization %	57%	56%	60%	68%	63%
Long Term Debt to net plant %	115%	112%	149%	195%	138%
Average age of plant	9.0	10.1	10.5	10.0	9.1
<u>Debt:</u>					
Coverage (annual) (X)	1.86	1.87	2.92	2.27	2.93
Cushion (annual) (X)	13.02	13.73	15.86	17.17	13.57
Debt to Cash Flow (X)	8.03	6.84	7.07	5.26	2.73
Debt to EBITDA (X)	4.63	4.92	4.02	5.87	2.82
Interest coverage (annual) (X)	2.52	2.75	4.05	2.44	4.75
Debt service as % Operating Revenue	5.4%	4.8%	4.1%	4.0%	4.6%
<u>Profitability</u>					
Operating margin (%)	3.1%	2.9%	5.9%	2.7%	7.1%
EBIDA	\$ 34,156	\$ 58,333	\$ 75,523	\$ 53,943	\$ 79,406
EBIDA margin (%)	10.0%	9.0%	11.9%	9.0%	13.6%
Return on assets (%)	2.2%	2.1%	4.4%	2.0%	6.3%
Return on equity (%)	8.7%	8.2%	18.4%	10.9%	32.1%
Operating ratio (%)	90.0%	91.0%	88.1%	91.0%	86.4%
<u>Operational</u>					
Personnel Cost % Operating revenue	45.6%	45.9%	42.5%	43.0%	41.4%
Supplies % Operating revenue	18.4%	18.8%	18.0%	17.4%	17.2%
Bad debt % Patient Revenue	10.4%	12.9%	15.1%	12.6%	11.9%
<u>Cash Flow:</u>					
Simple cash flow	\$ 27,237	\$ 47,589	\$ 63,304	\$ 42,520	\$ 68,303
Free cash flow	\$ (21,955)	\$ (32,212)	\$ (17,946)	\$ 38,467	\$ 67,832
Simple cash flow to Total Liabilities	\$ 0.05	\$ 0.10	\$ 0.13	\$ 0.08	\$ 0.16
Free cash Flow to Total Liabilities	\$ (0.04)	\$ (0.07)	\$ (0.04)	\$ 0.07	\$ 0.16

MOUNT SINAI MEDICAL CENTER FOUNDATION, INC.**Consolidated Statement of Activities / Changes in Net Assets and Balance Sheet****(Amounts in 000s)**

	2ND QUARTER 2017	FYE 2016 Audited	FYE 2015 Audited	FYE 2014 Audited	FYE 2013 Audited
INCOME STATEMENT					
REVENUES					
Pledges, cash gifts and other bequests, net of discounts	\$ 18,384	\$ 23,406	\$ 16,128	\$ 22,612	\$ 16,539
Interest, dividends and other	2,490	5,416	(897)	1,337	2,949
TOTAL REVENUES	\$ 20,874	\$ 28,822	\$ 15,231	\$ 23,949	\$ 19,488
EXPENSES:					
Operating Expenses	1,958	4,538	4,718	5,763	4,177
Transfers to the Medical Center	462	736	616	678	649
TOTAL EXPENSES	\$ 2,420	\$ 5,274	\$ 5,334	\$ 6,441	\$ 4,826
EXCESS/(DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 18,454	\$ 23,548	\$ 9,897	\$ 17,508	\$ 14,662
NET ASSETS	\$ 190,770	\$ 172,317	\$ 148,769	\$ 138,872	\$ 121,364

	2ND QUARTER 2017	FYE 2016 Audited	FYE 2015 Audited	FYE 2014 Audited	FYE 2013 Audited
BALANCE SHEET					
ASSETS					
Cash and Investments	\$ 96,342	\$ 89,089	\$ 79,372	\$ 73,156	\$ 65,230
Other Assets	95,031	83,948	69,878	66,250	56,761
TOTAL ASSETS	\$ 191,373	\$ 173,037	\$ 149,250	\$ 139,406	\$ 121,991
TOTAL LIABILITIES	\$ 573	\$ 720	\$ 481	\$ 534	\$ 627
TOTAL NET ASSETS	\$ 190,770	\$ 172,317	\$ 148,769	\$ 138,872	\$ 121,364
TOTAL LIABILITIES AND NET ASSETS	\$ 191,343	\$ 173,037	\$ 149,250	\$ 139,406	\$ 121,991

Mount Sinai Medical Center

Bond Covenant - Days Cash on Hand Calculation

	2nd Quarter 2017	FYE 2016	FYE 2015	FYE 2014	FYE 2013
Cash & Cash Equivalents & Unrestricted Funds					
Obligated Group	287,988	255,816	261,677	269,027	246,256
Foundation	62,116	57,244	47,680	42,694	35,363
Less:					
Current Portion of Long-Term Debt	(22,934)	(20,446)	(13,668)	(12,335)	(15,979)
	\$ 327,170	\$ 292,614	\$ 295,689	\$ 299,386	\$ 265,640
<i>Divided by:</i>					
Operating Expenses:					
Obligated Group	297,180	548,207	503,499	512,755	477,977
Foundation	1,958	4,538	4,718	5,763	4,177
Less:					
Depreciation & Amortization	(16,747)	(28,804)	(26,085)	(26,049)	(26,629)
Bad Debt Expense:					
Obligated Group	-	-	-	-	-
Foundation	(235)	(1,549)	(1,803)	(1,946)	(974)
Adjusted Operating Expenses	\$ 282,156	\$ 522,392	\$ 480,329	\$ 490,523	\$ 454,551
Number of Days in Period	181	365	365	365	365
Average Expense per Day	1,559	1,431	1,316	1,344	1,245
Days Cash on Hand	209.88	204.45	224.69	222.77	213.31

MOUNT SINAI MEDICAL CENTER
 COMBINED GROUP
 LONG-TERM DEBT SERVICE COVERAGE RATIO - ANNUAL DEBT SERVICE

	ANNUALIZED
	For the period Ended
	06/30/17
Total revenues	\$615,340,000
Less: Total expenses	(\$594,360,000)
Net Gain/(Loss)	20,980,000
+ Depreciation and amortization	33,494,000
+ Interest expense on Long Term Debt	13,838,000
Income available before other items	\$ 68,312,000
Other items:	
- Foundation - Increase in net assets before change in unrealized gain/losses on investment	33,546,180
+ Foundation Capital Contributions	0
+ Contributions other than Foundation	2,313,236

INCOME AVAILABLE FOR DEBT SERVICE \$ 104,171,416

Annual Debt Service Requirement

LONG-TERM DEBT SERVICE COVERAGE RATIO

REQUIRED RATIO

Maximum Annual Debt Service	Annual Debt Service
\$ 104,171,416	\$ 104,171,416
29,618,220	29,660,751
3.52	3.51
1.10	1.10