OPERATING RESULTS

June 2017
Preliminary Unaudited
**MU HEALTH CARE FINANCIAL PERFORMANCE**

**SUMMARY OF FINANCIAL STATEMENT ($000s)**

<table>
<thead>
<tr>
<th></th>
<th>YTD ACTUAL</th>
<th>YTD BUDGET</th>
<th>MU HEALTH CARE CONSOLIDATED</th>
<th>PRIOR YEAR ACTUAL</th>
<th>FY17 ANNUAL BUDGET</th>
<th>MOODY’S A RATED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Revenues</td>
<td>$944,690</td>
<td>$841,438</td>
<td></td>
<td>$839,951</td>
<td>$841,438</td>
<td></td>
</tr>
<tr>
<td>Operating Expenses*</td>
<td>(846,175)</td>
<td>(805,752)</td>
<td></td>
<td>(766,483)</td>
<td>(805,752)</td>
<td></td>
</tr>
<tr>
<td>Operating Income</td>
<td>98,515</td>
<td>35,686</td>
<td></td>
<td>73,468</td>
<td>35,686</td>
<td></td>
</tr>
<tr>
<td>Non-operating Revenues, Net</td>
<td>(29,094)</td>
<td>(10,630)</td>
<td></td>
<td>(29,293)</td>
<td>(10,630)</td>
<td></td>
</tr>
<tr>
<td>Change in Net Assets</td>
<td>$69,421</td>
<td>$25,056</td>
<td></td>
<td>$44,175</td>
<td>$25,056</td>
<td></td>
</tr>
</tbody>
</table>

*Includes University purchased clinical services annual budget of $44 million.

**FINANCIAL RATIOS AND BENCHMARKS**

<table>
<thead>
<tr>
<th></th>
<th>Margin Percent</th>
<th>Annualized Return on Total Assets</th>
<th>Cash to Total Debt</th>
<th>Debt to Capitalization</th>
<th>Maximum Annual Debt Service Coverage</th>
<th>Days Cash on Hand</th>
<th>Net Days Revenue in AR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7.3%</td>
<td>6.0%</td>
<td>148.8%</td>
<td>30.5%</td>
<td>6.7</td>
<td>208.1</td>
<td>54.4</td>
</tr>
<tr>
<td></td>
<td>3.0%</td>
<td>2.2%</td>
<td>140.9%</td>
<td>31.8%</td>
<td>3.3</td>
<td>210.2</td>
<td>49.2</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5.3%</td>
<td>4.1%</td>
<td>128.9%</td>
<td>33.6%</td>
<td>4.1</td>
<td>208.0</td>
<td>51.3</td>
</tr>
<tr>
<td></td>
<td>3.0%</td>
<td>2.2%</td>
<td>140.9%</td>
<td>31.8%</td>
<td>3.3</td>
<td>210.2</td>
<td>49.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### MU HEALTH CARE KEY VOLUME METRICS

**June 2017**  
Preliminary Unaudited

<table>
<thead>
<tr>
<th>STATISTIC</th>
<th>YTD ACTUAL</th>
<th>YTD BUDGET</th>
<th>VARIANCE</th>
<th>% VARIANCE YTD</th>
<th>PRIOR YTD ACTUAL</th>
<th>% VARIANCE PRIOR YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>DISCHARGES</td>
<td>26,995</td>
<td>26,297</td>
<td>698</td>
<td>2.7%</td>
<td>26,439</td>
<td>2.1%</td>
</tr>
<tr>
<td>INPATIENT SURGERY</td>
<td>9,594</td>
<td>9,739</td>
<td>(145)</td>
<td>-1.5%</td>
<td>9,176</td>
<td>4.6%</td>
</tr>
<tr>
<td>OUTPATIENT SURGERY</td>
<td>16,049</td>
<td>14,095</td>
<td>1,954</td>
<td>13.9%</td>
<td>14,270</td>
<td>12.5%</td>
</tr>
<tr>
<td>DELIVERIES</td>
<td>2,338</td>
<td>1,874</td>
<td>464</td>
<td>24.8%</td>
<td>2,058</td>
<td>13.6%</td>
</tr>
<tr>
<td>NICU DAYS</td>
<td>14,277</td>
<td>12,328</td>
<td>1,949</td>
<td>15.8%</td>
<td>14,462</td>
<td>-1.3%</td>
</tr>
<tr>
<td>ER VISITS</td>
<td>78,297</td>
<td>76,462</td>
<td>1,835</td>
<td>2.4%</td>
<td>76,977</td>
<td>1.7%</td>
</tr>
<tr>
<td>PATIENT DAYS</td>
<td>142,302</td>
<td>132,203</td>
<td>10,099</td>
<td>7.6%</td>
<td>134,039</td>
<td>6.2%</td>
</tr>
<tr>
<td>CLINIC VISITS</td>
<td>643,452</td>
<td>650,175</td>
<td>(6,723)</td>
<td>-1.0%</td>
<td>633,755</td>
<td>1.5%</td>
</tr>
</tbody>
</table>
OPERATING RESULTS

July 2017
## MU Health Care Financial Performance

**July 2017**

<table>
<thead>
<tr>
<th>YTD Actual</th>
<th>YTD Budget</th>
<th>MU Health Care Consolidated</th>
<th>Prior Year Actual</th>
<th>FY18 Annual Budget</th>
<th>Moody’s A Rated</th>
</tr>
</thead>
<tbody>
<tr>
<td>$78,877</td>
<td>$78,418</td>
<td>Net Revenues</td>
<td>$70,417</td>
<td>$938,952</td>
<td></td>
</tr>
<tr>
<td>(71,275)</td>
<td>(73,576)</td>
<td>Operating Expenses*</td>
<td>(64,668)</td>
<td>(886,446)</td>
<td></td>
</tr>
<tr>
<td>7,602</td>
<td>4,842</td>
<td>Operating Income</td>
<td>5,749</td>
<td>52,506</td>
<td></td>
</tr>
<tr>
<td>(163)</td>
<td>(1,597)</td>
<td>Non-operating Revenues, Net</td>
<td>(198)</td>
<td>(17,739)</td>
<td></td>
</tr>
<tr>
<td>$7,439</td>
<td>$3,245</td>
<td>Change in Net Assets</td>
<td>$5,551</td>
<td>$34,767</td>
<td></td>
</tr>
</tbody>
</table>

*Includes University purchased clinical services annual budget of $44 million.

### Summary of Financial Statement ($000s)

- **Net Revenues**: $78,877 vs. $78,418
- **Operating Expenses**: $71,275 vs. $73,576
- **Operating Income**: $7,602 vs. $4,842
- **Non-operating Revenues, Net**: $7,439 vs. $3,245
- **Change in Net Assets**: $5,551 vs. $34,767

### Financial Ratios and Benchmarks

<table>
<thead>
<tr>
<th></th>
<th>9.4%</th>
<th>4.1%</th>
<th>7.9%</th>
<th>3.7%</th>
<th>6.1%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Margin Percent</td>
<td>7.7%</td>
<td>2.9%</td>
<td>6.1%</td>
<td>2.9%</td>
<td>4.6%</td>
</tr>
<tr>
<td>Annualized Return on Total Assets</td>
<td>158.3%</td>
<td>155.0%</td>
<td>136.3%</td>
<td>169.6%</td>
<td>121.5%</td>
</tr>
<tr>
<td>Cash to Total Debt</td>
<td>30.2%</td>
<td>30.4%</td>
<td>33.3%</td>
<td>28.64%</td>
<td>33.9%</td>
</tr>
<tr>
<td>Debt to Capitalization</td>
<td>6.7</td>
<td>3.6</td>
<td>4.5</td>
<td>3.6</td>
<td>5.0</td>
</tr>
<tr>
<td>Maximum Annual Debt Service Coverage</td>
<td>222.1</td>
<td>212.3</td>
<td>220.1</td>
<td>217.8</td>
<td>215.5</td>
</tr>
</tbody>
</table>
## MU Health Care Key Volume Metrics

### July 2017

<table>
<thead>
<tr>
<th>Statistic</th>
<th>YTD Actual</th>
<th>YTD Budget</th>
<th>Variance</th>
<th>% Variance YTD</th>
<th>Prior YTD Actual</th>
<th>% Variance Prior YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discharges</td>
<td>2,111</td>
<td>2,274</td>
<td>(163)</td>
<td>-7.2%</td>
<td>2,261</td>
<td>-6.6%</td>
</tr>
<tr>
<td>Inpatient Surgery</td>
<td>792</td>
<td>801</td>
<td>(9)</td>
<td>-1.1%</td>
<td>839</td>
<td>-5.6%</td>
</tr>
<tr>
<td>Outpatient Surgery</td>
<td>1,341</td>
<td>1,332</td>
<td>9</td>
<td>.7%</td>
<td>1,235</td>
<td>8.6%</td>
</tr>
<tr>
<td>Deliveries</td>
<td>203</td>
<td>249</td>
<td>(46)</td>
<td>-18.5%</td>
<td>214</td>
<td>-5.1%</td>
</tr>
<tr>
<td>NICU Days</td>
<td>1,435</td>
<td>1,350</td>
<td>85</td>
<td>6.3%</td>
<td>1,375</td>
<td>4.4%</td>
</tr>
<tr>
<td>ER Visits</td>
<td>6,176</td>
<td>6,115</td>
<td>61</td>
<td>1.0%</td>
<td>6,112</td>
<td>1.0%</td>
</tr>
<tr>
<td>Patient Days</td>
<td>12,305</td>
<td>11,784</td>
<td>521</td>
<td>4.4%</td>
<td>11,776</td>
<td>4.5%</td>
</tr>
<tr>
<td>Clinic Visits</td>
<td>49,506</td>
<td>50,726</td>
<td>(1,220)</td>
<td>-2.4%</td>
<td>47,211</td>
<td>4.9%</td>
</tr>
</tbody>
</table>