



June 15, 2017

RE: Officers Certificate for Anticipation Certificates (Phoebe Putney Memorial Hospital), Series 2012
Relating to the Quarterly Filing
Issues Including:
List outstanding issues - NA

I hereby certify that the Phoebe Putney Health System, Inc. Consolidated Financial Statements for the quarters ending April 30, 2017 and 2016 constitutes the quarterly financial information required by the continuing disclosure agreement. I further certify that the information complies with the continuing disclosure agreement and the rule as required. DAC shall be entitled to rely on this certificate.

If you have further questions about this matter please do not hesitate to call, 229-312-6746.

Signature

Brian Church
Chief Financial Officer

A handwritten signature in black ink, appearing to read "Brian Church", written over the printed name and title.

PHOEBE PUTNEY HEALTH SYSTEM, INC.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDING April 30, 2017 & 2016

PHOEBE PUTNEY HEALTH SYSTEM, INC.

BALANCE SHEETS

April 30, 2017 & Prior Year Audited

	Unaudited <u>4/30/2017</u>	Audited <u>FY 2016</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 130,175,563	\$ 97,875,932
Assets limited as to use - current	-	-
Patient accounts receivable, net of all allowances of \$166,140,061 in 2017; \$309,382,522 in 2016	113,396,694	122,853,286
Supplies, at lower of cost (first in, first out) or market	14,979,107	12,119,925
Other current assets	39,158,283	17,085,402
Estimated third party payor settlements	<u>3,221,143</u>	<u>10,468,644</u>
Total current assets	<u>300,930,790</u>	<u>260,403,189</u>
Assets limited as to use:		
Internally designated for capital improvements	375,841,680	332,078,389
Internally designated pending FEMA/GEMA audits	4,007,545	
Internally designated for self-insurance	74,618,268	72,165,646
Under bond indenture agreement	-	-
Externally Restricted by donors	<u>7,931,480</u>	<u>10,452,730</u>
Total assets limited as to use	<u>462,398,973</u>	<u>414,696,765</u>
Less amount required to meet current obligations	<u>-</u>	<u>-</u>
Assets limited as to use - long-term	<u>462,398,973</u>	<u>414,696,765</u>
Property and Equipment, net	<u>377,755,563</u>	<u>387,092,165</u>
Other Assets:		
Due from Related Parties	-	-
Other assets	145,473,579	133,425,398
Reserve for Other Assets	<u>(23,773,721)</u>	<u>6,600,378</u>
Total other assets	<u>121,699,858</u>	<u>140,025,776</u>
Total Assets	<u><u>\$ 1,262,785,184</u></u>	<u><u>\$ 1,202,217,895</u></u>

PHOEBE PUTNEY HEALTH SYSTEM, INC.
BALANCE SHEETS
April 30, 2017 & Prior Year Audited

	Unaudited 4/30/2017	Audited FY 2016
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Current portion of long-term debt	\$ 6,628,923	\$ 6,383,553
Current Note Payable	-	-
Accounts payable	26,585,993	19,730,754
Accrued expenses	67,188,324	54,686,436
Estimated third-party payor settlements	1,163,838	748,354
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Total current liabilities	101,567,078	81,549,097
Long-term debt, net of current portion	277,021,875	285,032,807
Accrued pension cost	129,645,844	129,645,844
Accrued professional/general liability	56,205,266	51,577,485
Derivative financial instruments	9,425,160	14,510,784
Due to Related Parties	-	-
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Total liabilities	573,865,223	562,316,017
Net assets:		
Unrestricted	676,892,792	629,449,146
Temporarily restricted	10,003,529	8,429,092
Permanently restricted	2,023,640	2,023,640
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Total net assets	688,919,961	639,901,878
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 Total liabilities and net assets	 \$ 1,262,785,184	 \$ 1,202,217,895
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PHOEBE PUTNEY HEALTH SYSTEM, INC.
CONSOLIDATED STATEMENT OF OPERATIONS & CHANGES IN NET ASSETS
APRIL 30, 2017 AND 2016

<u>OPERATING REVENUE</u>	<u>ACTUAL</u> <u>3RD QUARTER 2017</u>	<u>ACTUAL</u> <u>3RD QUARTER 2016</u>	<u>YTD</u> <u>ACTUAL 2017</u>
TOTAL GROSS PATIENT REVENUE	\$ 513,129,409	\$ 492,545,606	1,541,003,834
OTHER OPERATING REVENUE	7,950,301	6,116,188	27,753,515
DEDUCTIONS	<u>351,213,541</u>	<u>325,851,759</u>	<u>1,042,543,402</u>
NET REVENUE	169,866,169	172,810,035	526,213,947
SALARY AND BENEFITS	94,846,622	100,765,723	292,769,889
DEPRECIATION & AMORTIZATION	10,250,047	12,135,465	32,835,407
INTEREST EXPENSE	1,796,910	1,645,409	5,331,779
SUPPLIES & OTHERS	<u>62,094,338</u>	<u>56,848,819</u>	<u>185,647,141</u>
TOTAL EXPENSE	168,987,917	171,395,416	516,584,216
OPERATING INCOME (LOSS) BEFORE INTERCOMPANY	878,252	1,414,619	9,629,731
INTERCOMPANY	<u>10</u>	<u>5</u>	<u></u>
OPERATING INCOME (LOSS)	878,242	1,414,614	9,629,731
NON OPERATING INCOME	7,793,375	1,570,202	7,793,375
INVESTMENT INCOME	<u>16,610,990</u>	<u>12,128,564</u>	<u>33,289,506</u>
NET INCOME (LOSS)	<u>25,282,607</u>	<u>15,113,380</u>	<u>50,712,612</u>
NET ANNUAL ACTUARIAL GAIN (LOSS)	\$ (37,895,000)	\$ (48,292,668)	\$ (37,895,000)
AMORTIZATION OF PRIOR SERVICE COST	24,000	148,250	24,000
AMORTIZATION OF NET GAIN	5,004,000	1,590,932	5,004,000
OTHER CHANGES IN UNRESTRICTED NET ASSETS	<u>(23,260,763)</u>	<u>49,169,742</u>	<u>(20,738,085)</u>
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	(56,127,763)	\$ 2,616,256	\$ (53,605,085)
INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	4,381,953	2,314,644	1,227,309
INCREASE IN PERMENENTLY RESTRICTED NET ASSETS	345,001	5,987	4,307
NET ASSETS AT BEGINNING OF PERIOD	<u>666,020,080</u>	<u>644,975,341</u>	<u>641,562,735</u>
NET ASSETS AT END OF PERIOD	<u>\$ 639,901,878</u>	<u>\$ 665,025,608</u>	<u>\$ 639,901,878</u>

PHOEBE PUTNEY HEALTH SYSTEM
CONSOLIDATED CASH FLOW STATEMENTS
For the Quarter Ending April 30, 2017 (FY 2017) and 2016 (FY 2016)

	<u>FY 2017</u>	<u>FY 2016</u>
Cash Flows from Operating Activities:		
Change in Assets Increase/(Decrease)	\$ 22,899,881	\$ 20,050,272
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Changes in Unrealized (Gain)/Loss on Investments	-	
Changes in Foundation	-	
Depreciation and Amortization	10,250,046	12,135,465
Changes in Working Capital	(13,829,919)	5,235,990
Net Cash Provided by Operating Activities	<u>19,320,008</u>	<u>37,421,727</u>
Cash Flows from Investing Activities:		
Purchase of Property & Equipment	(5,835,884)	(5,260,314)
Sale of Assets Limited As to Use	-	3,918,320
Purchase of Assets Limited As to Use	-	(4,132,775)
Net Cash Used by Investing Activities	<u>(5,835,884)</u>	<u>(5,474,769)</u>
Cash Flows from Financing Activities:		
Proceeds from Issuance of Long Term Debt	-	-
Intercompany	-	-
Swaps	-	-
Payment on Long-Term Debt	(38,813)	(36,614)
Net Cash from Financing Activities	<u>(38,813)</u>	<u>(36,614)</u>
Increase/(Decrease) in Cash and Cash Equivalents	13,445,311	31,910,344
Cash and Cash Equivalents, Beginning of Period	<u>116,730,252</u>	<u>54,671,886</u>
Cash and Cash Equivalents, End of Period	<u>\$ 130,175,563</u>	<u>\$ 86,582,230</u>