Mission Statement

To inspire hope and contribute to health and well-being by providing the best care to every patient through integrated clinical practice, education and research.

Inspiring Hope and Healing

Mayo Clinic continued to advance its mission to be a trusted source for clinical quality, medical education and research discoveries that improve lives by providing direct care for more than 1.3 million people from 140 countries in 2015.

Bolstered by a strong financial position, Mayo Clinic contributed $505 million to its pension plan for employees and more than $600 million in capital projects.

These expenditures are part of a multiyear plan to continue to invest in state-of-the-art equipment, facilities and technology, which include a new electronic health record and revenue cycle management system, network infrastructure and security upgrades.

The results solidify Mayo Clinic’s ability to deliver complex care to patients and provide a secure future for dedicated staff.

Total Clinic Patients – 1,318,300*

Mayo Clinic has a moral responsibility to provide compassionate care to all, and teams of experts deliver seamless, integrated experiences that patients expect.

<table>
<thead>
<tr>
<th>Year</th>
<th>Patients</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>1,318,300</td>
</tr>
<tr>
<td>2014</td>
<td>1,317,900</td>
</tr>
<tr>
<td>2013</td>
<td>1,260,400</td>
</tr>
</tbody>
</table>

*Individual patients are counted once annually. Patient numbers are rounded. All figures are from Dec. 31, 2015, unless noted.
A Dynamic Staff

Mayo Clinic’s most important resource is its staff, the men and women who deliver and discover the care our patients need. In addition to providing expert care, our 64,000 employees help Mayo Clinic navigate serious external challenges.

Mayo Clinic is committed to investing in our staff, contributing a total of more than $2 billion over the past five years to ensure Mayo Clinic will meet its commitment to current and future retirees.

Total Clinic Employees – 64,000*

4,500 Physicians-scientists

57,100 Administrative and allied health staff

2,400 Residents, fellows and other professionals

Rochester 35,000†

Health System 17,300

Arizona 6,200

Florida 5,500

*All figures rounded; †Includes Gold Cross employees.
Integrating Practice, Education and Research

Mayo Clinic translates knowledge into cures and treatments for a wide range of life-threatening diseases and chronic conditions. Researchers at Mayo Clinic work each day in quest of the next breakthrough in diseases such as cancer and Alzheimer’s disease. More than 4,000 world-class physician-scientists, science faculty and research personnel collaborate in laboratories and at bedsides to solve complex questions in virtually every field of medicine.

Touching Lives Everywhere

From cancer care to training new doctors, Mayo Clinic continues to transform medical practice:

- The Mayo Clinic Proton Beam Therapy Program, housed in the Richard O. Jacobson Building in Rochester, began treating patients with cancer in June 2015. On Mayo Clinic’s Arizona campus, the Proton Beam Therapy Program — part of the new Mayo Clinic Cancer Center — began treating patients in March 2016.

- Mayo Clinic and United Therapeutics Corporation announced a collaborative project in 2015 on a lung restoration center to be built on Mayo Clinic’s Florida campus. The goal is to significantly increase the volume of lungs for transplantation by preserving and restoring selected marginal donor lungs, making them viable for transplantation. The restored lungs will be made available to patients at Mayo Clinic and other transplant centers throughout the U.S. Mayo Clinic is the largest provider of solid organ transplants in the U.S. and performs more transplants at its Arizona, Florida and Minnesota campuses combined than any other medical center in the nation.

- The 2015 incoming class of Mayo Medical School will be the first medical students nationwide to receive a Science of Health Care Delivery certificate in addition to a medical degree. The integrated curriculum is part of an initiative to better prepare students for the challenges of delivering patient care in a complex health care environment.

- Mayo Clinic Square opened in Minneapolis in 2015 as the new headquarters of the Minnesota Timberwolves and Minnesota Lynx. It also is home to Mayo Clinic Sports Medicine.
Researchers Finding – Answers

Mayo research programs received $381.8 million in external funding in 2015.

<table>
<thead>
<tr>
<th>People</th>
<th>Infrastructure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-time scientific faculty</td>
<td>Physicians actively involved in research</td>
</tr>
<tr>
<td>184</td>
<td>575</td>
</tr>
<tr>
<td>Core research laboratories</td>
<td>Research lab space</td>
</tr>
<tr>
<td>29</td>
<td>347,926 square feet</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Studies and Publications</th>
<th>Mayo Clinic Ventures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active Institutional Review Board-approved studies</td>
<td>New human research studies approved by Institutional Review Board</td>
</tr>
<tr>
<td>11,028</td>
<td>2,723</td>
</tr>
<tr>
<td>Technologies licensed or optioned</td>
<td>Patents issued</td>
</tr>
<tr>
<td>180</td>
<td>111</td>
</tr>
</tbody>
</table>

Investing In Innovation

The Center for Individualized Medicine, Center for Regenerative Medicine, and Robert D. and Patricia E. Kern Center for the Science of Health Care Delivery, as well as the multisite Mayo Clinic Cancer Center and medical research across all departments and sites, continue to keep Mayo Clinic at the leading edge of scientific discovery and innovations in patient care:

- A $13.3 million, five-year federal grant, the Breakthrough Award from the U.S. Department of Defense’s Breast Cancer Research Program. The study will test a vaccine designed to prevent the recurrence of triple-negative breast cancer, a subset of breast cancer for which there are no targeted therapies.

- A $6.8 million grant from the National Institutes of Health (NIH) to develop intelligent devices to treat people with epilepsy through the Brain Research Through Advancing Innovative Neurotechnologies (BRAIN) Initiative.

- A $5.3 million NIH grant to identify vascular risk factors in aging and dementia, and translate knowledge into treatment. The grant is one of the first given for the National Alzheimer’s Project Act.

- A recognized thought leader. Mayo Clinic was sought in 2015 for input on health care-related topics during the Aspen Ideas Festival, Davos World Economic Forum and numerous local, national and international media outlets.
Research to Benefit All

Research is critical to advancing the practice of medicine. Mayo Clinic translates scientific discoveries into therapies not just for patients but for people everywhere. Mayo’s world-class scientists and physician-researchers collaborate in a continuous cycle that may begin with an individual’s medical need and lead, through basic and clinical research, to medical innovations that improve lives.

Mayo Clinic offers hope to patients through our extensive range of clinical research trials and uses individualized and regenerative medicine to provide expert whole-person care.

Total Research Budget – $662.8 million

- Mayo Clinic Funding (including philanthropy and royalties): $281.0 million
- Federal and state funding: $269.6 million
- Industry funding: $76.6 million
- Other extramural support: $35.6 million

An Inside Look at Mayo Clinic
Top Ranked More Often

For more than 20 years, Mayo Clinic has led the way in U.S. News & World Report rankings, with more No. 1 ranked specialties than any other hospital in the nation. In 2015, Mayo Clinic ranked first, second and third in all 12 data-driven specialties of U.S. News & World Report’s Best Hospitals rankings. Mayo Clinic also remains top-ranked in quality more than any other health care organization by independent services like UHC Quality Leadership Award, Leapfrog’s Top Hospital list, Nursing Magnet Recognition Program, Consumer Reports and American College of Surgeons.
In 2015, Mayo’s total budget for education and research programs was $946 million, and Mayo Clinic and benefactors contributed $506 million of that total.

Learning to Lead

Students study at Mayo Clinic for one simple reason: They want to provide the best care possible to patients. Through five schools of education, Mayo trains tomorrow’s physician-leaders and researchers and helps today’s health care providers raise the standard for health care.

Mayo Medical School
Enrollment: .................................................................208
Graduates: ................................................................. 58*

In July 2017, Mayo Medical School will open its Arizona campus, enrolling 50 additional students and nearly doubling the size of classes thereafter.

Mayo Graduate School
Enrollment: .................................................................277
Ph.D. graduates: ............................................................44
M.S. graduates: .............................................................33

Mayo School of Graduate Medical Education
Mayo trains doctors in 273 residency and fellowship programs, representing virtually all medical specialties.
Enrollment: .................................................................1,696
Graduates: .................................................................670

Mayo School of Health Sciences
Prepares students in 125 programs representing 55 health science careers.
Enrollment: .................................................................1,725
Graduates: .................................................................1,108

Mayo School of Continuous Professional Development
Physician participants: ...................................................81,626
Nonphysician participants: .............................................49,774

*On track to graduate May 2016
A Committed Network

In 2015, seven independent health care organizations joined the growing Mayo Clinic Care Network. The network, launched in 2011, now has more than 35 members in the continental United States as well as Puerto Rico, Mexico and Singapore.

The Mayo Clinic Care Network consists of culturally aligned health care organizations that share Mayo’s commitment to improving the delivery of health care. Through the network relationship, members have direct access to Mayo Clinic information, including evidence-based disease management protocols, clinical care guidelines, treatment recommendations and reference materials for complex medical conditions. Physicians within the network can also collaborate directly with Mayo Clinic specialists on questions of patient care.

Through the Mayo Clinic Care Network, nearly 10 million patients and their care teams have access to Mayo Clinic medical knowledge and expertise.

- Altru Health System (North Dakota)
- Aspen Valley Hospital (Colorado)
- ASU Health Services (Arizona)
- Baptist Health Care (Florida)
- Billings Clinic (Montana)
- Coborn Cancer Center (Minnesota)
- Dartmouth-Hitchcock (New Hampshire)
- Guthrie (New York and Pennsylvania)
- INTEGRIS (Oklahoma)
- Kingman Regional Medical Center (Arizona)
- Kootenai Health (Idaho)
- Médica Sur (Mexico)
- Methodist Healthcare (Tennessee)
- Methodist Health System (Texas)
- Middlesex Hospital (Connecticut)
- Mosaic Life Care (Missouri)
- NCH Healthcare System (Florida)
- NorthShore University HealthSystem (Illinois)
- OSF HealthCare (Illinois)
- Palomar Health (California)
- Parrish Medical Center (Florida)
- Pikeville Medical Center (Kentucky)
- Raffles Medical Group (Singapore)
- Salus (Puerto Rico)
- Shriners Hospitals for Children (Florida)
- Sparrow Health System (Michigan)
- St. Elizabeth Healthcare (Kentucky)
- Stormont-Vail HealthCare (Kansas)
- ThedaCare (Wisconsin)
- Trinity Health (North Dakota)
- Tucson Medical Center (Arizona)
- UnityPoint Health — Cedar Rapids (Iowa)
- Virginia Hospital Center (Virginia)
- WellStar Health System (Georgia)
- Yampa Valley Medical Center (Colorado)
- Yuma Regional Medical Center (Arizona)

As of April 2016

The Right Care at the Right Time

The Center for Connected Care continues to expand Mayo Clinic’s reach. Mayo Clinic conducted more than 16,000 telemedicine consultations across the institution, including eConsults and telestroke and video consults in 2015.

Also, nearly 800,000 Mayo Clinic patients have Patient Online Services accounts providing them access to their medical records, lab results, appointment itineraries and secure messaging to their health care teams through the web and a mobile app.
Navigating Change

Mayo Clinic’s overall financial performance remained strong for 2015 – a direct result of the work to redesign the medical practice and disciplined financial stewardship. As the health care environment continues to change, Mayo Clinic remains optimistic in its position as the global leader in health care.

Consolidated Statement of Activities

Years ended December 31 (in Millions)

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue, Gains and Other Support</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net medical service revenue</td>
<td>$8,620</td>
<td>$8,165</td>
</tr>
<tr>
<td>Grants and contracts</td>
<td>386</td>
<td>375</td>
</tr>
<tr>
<td>Investment return allocated to current activities</td>
<td>233</td>
<td>173</td>
</tr>
<tr>
<td>Contributions available for current activities</td>
<td>211</td>
<td>179</td>
</tr>
<tr>
<td>Premium revenue</td>
<td>144</td>
<td>132</td>
</tr>
<tr>
<td>Other</td>
<td>721</td>
<td>737</td>
</tr>
<tr>
<td><strong>Total revenue, gains and other support</strong></td>
<td><strong>10,315</strong></td>
<td><strong>9,761</strong></td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and benefits</td>
<td>6,371</td>
<td>5,872</td>
</tr>
<tr>
<td>Supplies and services</td>
<td>2,621</td>
<td>2,290</td>
</tr>
<tr>
<td>Facilities</td>
<td>697</td>
<td>669</td>
</tr>
<tr>
<td>Finance and investment</td>
<td>100</td>
<td>96</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>9,789</strong></td>
<td><strong>8,927</strong></td>
</tr>
<tr>
<td><strong>Income from Current Activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>526</td>
<td>834</td>
</tr>
<tr>
<td><strong>Income as a percentage of total revenue</strong></td>
<td><strong>5.1%</strong></td>
<td><strong>8.5%</strong></td>
</tr>
<tr>
<td><strong>Noncurrent and Other Items</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions not available for current activities, net</td>
<td>60</td>
<td>98</td>
</tr>
<tr>
<td>Unallocated investment return, net</td>
<td>(111)</td>
<td>230</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(33)</td>
<td>(32)</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1</td>
<td>(2)</td>
</tr>
<tr>
<td><strong>Total noncurrent and other items</strong></td>
<td><strong>(83)</strong></td>
<td><strong>294</strong></td>
</tr>
<tr>
<td><strong>Increase in Net Assets Before Other Changes in Net Assets</strong></td>
<td><strong>443</strong></td>
<td><strong>1,128</strong></td>
</tr>
<tr>
<td>Pension and other postretirement benefit adjustments</td>
<td><strong>12</strong></td>
<td>(1,590)</td>
</tr>
<tr>
<td><strong>Increase (decrease) in Net Assets</strong></td>
<td><strong>455</strong></td>
<td>(462)</td>
</tr>
<tr>
<td>Net Assets at Beginning of Year</td>
<td>7,192</td>
<td>7,654</td>
</tr>
<tr>
<td>Net Assets at End of Year</td>
<td>$7,647</td>
<td>$7,192</td>
</tr>
</tbody>
</table>
Financials

Mayo Clinic’s annual operating margin supports research and education activities, funds salary increases and pension contributions, and provides a source of capital for future investment.

As a not-for-profit organization, Mayo Clinic reinvests all earnings into giving patients high-quality care, finding answers to the toughest medical cases and training the next generation of doctors and researchers.

Consolidated Statement of Financial Position

Years ended December 31 (in Millions)

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and equivalents</td>
<td>$53</td>
<td>$55</td>
</tr>
<tr>
<td>Accounts receivable for medical services — net</td>
<td>1,658</td>
<td>1,495</td>
</tr>
<tr>
<td>Investments — at market</td>
<td>7,172</td>
<td>7,270</td>
</tr>
<tr>
<td>Other assets</td>
<td>1,180</td>
<td>1,123</td>
</tr>
<tr>
<td>Property, plant and equipment — net</td>
<td>4,230</td>
<td>4,057</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$14,293</td>
<td>$14,000</td>
</tr>
</tbody>
</table>

| **Liabilities and Net Assets** |         |         |
| Accounts payable and current liabilities | $1,969   | $1,903   |
| Long-term debt               | 2,388   | 2,437   |
| Other long-term liabilities  | 2,289   | 2,468   |
| Net assets                   | 7,647   | 7,192   |
| **Total liabilities and net assets** | $14,293 | $14,000 |
In 2015, Mayo Clinic provided more than $548 million in care to people in need. This total includes more than $72 million in charity care as well as over $475 million in unpaid portions of Medicaid and other indigent care programs for people who are uninsured or underinsured.

Mayo’s charity care program supports patients who have demonstrated financial need and who have medical conditions for which Mayo Clinic is uniquely qualified to provide care.

Mayo Clinic also contributed $6.6 million in cash and in-kind support to local community needs, community wellness initiatives and outreach to the most vulnerable citizens.

Primary Value

In its earliest days, one of Mayo Clinic’s founders, William J. Mayo, M.D., stated, “The best interest of the patient is the only interest to be considered.” That primary value — the needs of the patient come first — has guided Mayo’s practice throughout its history and at every Mayo campus.
Mayo Clinic Leadership

John H. Noseworthy, M.D.
President and CEO
Mayo Clinic

Jeffrey W. Bolton
Vice President, Administration
CAO, Mayo Clinic

Wyatt W. Decker, M.D.
Vice President, Mayo Clinic
CEO, Mayo Clinic in Arizona

Gianrico Farrugia, M.D.
Vice President, Mayo Clinic
CEO, Mayo Clinic in Florida

Bobbie S. Gostout, M.D.
Vice President, Mayo Clinic
Operations

Mark B. Koch
Chief Administrative Officer
Mayo Clinic Health System

Paula E. Menkosky
Chief Administrative Officer
Mayo Clinic in Arizona

Christina K. Zorn
Chief Administrative Officer
Mayo Clinic in Florida
Mayo Clinic Board of Trustees

Accurate as of March 2016.

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- John H. Noseworthy, M.D.
- Linda G. Alvarado
- Bradbury H. (Brad) Anderson
- Daniel J. Berry, M.D.
- Jeffrey W. Bolton
- Steven J. Buskirk, M.D.
- Armando Codina
- Mary Sue Coleman, Ph.D.
- Wyatt W. Decker, M.D.
- Michael E. Dougherty
- Gianrico Farrugia, M.D.
- William W. (Bill) George
- Bobbie S. Gostout, M.D.
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