

Valley Health System, VA

- Economic Development Authority of the City of Winchester, Virginia, Hospital Revenue Refunding Bonds (Valley Health System Obligated Group), Series 2015, \$114,925,000, Dated: July 22, 2015
- West Virginia Hospital Finance Authority, Hospital Revenue Refunding Bonds (Valley Health System Obligated Group), Series 2015, \$5,240,000, Dated: July 22, 2015
- Economic Development Authority of the City of Winchester, Virginia, Hospital Revenue Refunding Bonds (Valley Health System Obligated Group), Series 2014A, \$43,135,000, Dated: October 7, 2014
- West Virginia Hospital Finance Authority, Hospital Revenue Refunding Bonds (Valley Health System Obligated Group), Series 2014, \$19,080,000, Dated: October 7, 2014
- West Virginia Hospital Finance Authority Hospital Revenue Bonds (Valley Health System Obligated Group), Series 2009, \$25,000,000, Dated: December 17, 2009
- Industrial Development Authority of the City of Winchester Hospital Revenue Bonds (Valley Health System Obligated Group), Series 2009E, \$75,000,000, Dated: December 17, 2009
- Industrial Development Authority of the City of Winchester (Virginia), Hospital Revenue Bonds (Valley Health System Obligated Group), Series 2007, \$88,335,000, Dated: January 31, 2007

HISTORICAL UTILIZATION

Series 2015, 2015 Winchester, 2014, 2014A,
Obligated Group Hospitals Utilization

Fiscal Year Ended December 31,

2016

Acute Care

Licensed Beds	579
Staffed Beds	561
Discharges	26,531
Inpatient Days	126,859
Average Daily Census	346.6
Average Length of Stay	4.9
Adjusted Discharges	61,764
Adjusted Patient Days	295,326
Occupancy for Licensed Beds	59.9%
Emergency Room Visits	142,382
Deliveries	2,574
Inpatient Surgical Procedures	6,254
Outpatient Surgical Procedures	16,423
Outpatient Ambulatory Visits	620,497
Case Mix Index	1.5432

Long Term Care

Licensed Beds	150
Staffed Beds	150
Long Term Care Days	53,658
Long Term Care Average Daily Census	146.6
Long Term Care Occupancy	97.7%

Series 2015, 2015 Winchester, 2014, 2014A, 2009, 2009E, 2007

Winchester Medical Center Utilization

Fiscal Year Ended December 31,

	<u>2016</u>
Licensed Beds	455
Staffed Beds	452
Discharges	22,428
Inpatient Days	113,828
Average Daily Census	311.0
Average Length of Stay	5.2
Adjusted Discharges	47,108
Adjusted Patient Days	239,085
Occupancy for Licensed Beds	68.4%
Emergency Room Visits	76,379
Deliveries	2,207
Inpatient Surgical Procedures	5,474
Outpatient Surgical Procedures	11,563
Outpatient Ambulatory Visits	368,572
Case Mix Index	1.6261

Series 2015, 2015 Winchester, 2014, 2014A, 2009, 2009E, 2007

Warren Hospital Utilization

Fiscal Year Ended December 31,

	<u>2016</u>
Acute Care	
Licensed Beds	60
Staffed Beds	45
Discharges	1,841
Inpatient Days	5,807
Average Daily Census	15.9
Average Length of Stay	3.3
Adjusted Discharges	5,913
Adjusted Patient Days	18,653
Occupancy for Licensed Beds	26.5%
Emergency Room Visits	24,956
Deliveries	367
Inpatient Surgical Procedures	311
Outpatient Surgical Procedures	1,810
Outpatient Ambulatory Visits	59,004
Case Mix Index	1.0771
Long Term Care	
Licensed Beds	120
Staffed Beds	120
Long Term Care Days	42,749
Long Term Care Average Daily Census	116.8
Long Term Care Occupancy	97.3%

Series 2015, 2015 Winchester, 2014, 2014A, 2009, 2009E, 2007

Shenandoah Hospital Utilization

Fiscal Year Ended December 31,

	2016
Licensed Beds	25
Staffed Beds	25
Discharges	1,439
Inpatient Days	4,653
Average Daily Census	12.7
Average Length of Stay	3.4
Adjusted Discharges	6,021
Adjusted Patient Days	19,468
Occupancy for Licensed Beds	50.8%
Emergency Room Visits	18,689
Deliveries	0
Inpatient Surgical Procedures	457
Outpatient Surgical Procedures	1,986
Outpatient Ambulatory Visits	66,361
Case Mix Index	1.2691

Series 2015, 2015 Winchester, 2014, 2014A, 2009, 2009E

Hampshire Hospital Utilization

Fiscal Year Ended December 31,

	2016
Acute Care	
Licensed Beds	14
Staffed Beds	14
Discharges	312
Inpatient Days	853
Average Daily Census	2.3
Average Length of Stay	2.8
Adjusted Discharges	1,770
Adjusted Patient Days	4,838
Occupancy for Licensed Beds	16.4%
Emergency Room Visits	9,739
Deliveries	0
Inpatient Surgical Procedures	11
Outpatient Surgical Procedures	619
Outpatient Ambulatory Visits	47,480
Case Mix Index	1.0162
Long Term Care	
Licensed Beds	30
Staffed Beds	30
Long Term Care Days	10,909
Long Term Care Average Daily Census	29.8
Long Term Care Occupancy	99.3%

Page Hospital Utilization

Fiscal Year Ended December 31,

2016**Acute Care**

Licensed Beds	25
Staffed Beds	25
Discharges	511
Inpatient Days	1,718
Average Daily Census	4.7
Average Length of Stay	3.5
Adjusted Discharges	3,236
Adjusted Patient Days	10,881
Occupancy for Licensed Beds	18.8%
Emergency Room Visits	12,619
Deliveries	0
Inpatient Surgical Procedures	1
Outpatient Surgical Procedures	445
Outpatient Ambulatory Visits	79,080
Case Mix Index	1.0040

FINANCIAL PERFORMANCE

Series 2015, 2015 Winchester, 2014, 2014A, 2009, 2009E, 2007

Valley Health System and Consolidated Affiliates- Consolidated Statements of Operations

Fiscal Year Ended December 31,

2016**Unrestricted revenues, gains and other support**

Net patient service revenue	\$864,157
Other operating revenue	\$35,814
Investment income (loss), net	\$20,334
Gifts and bequests	\$0
Gain on sale of Piedmont Medical Lab	\$0
Net assets released from restrictions	\$0
Total revenues, gains and other support	\$920,305

Expenses

Salaries and wages	\$337,991
Payroll taxes and benefits	\$76,327
Supplies and other	\$308,601
Provision for uncollectible accounts	\$64,918
Depreciation and amortization	\$58,906
Interest expense	\$12,926
Total expenses	\$859,669

Excess (deficit) of revenues over expenses	\$60,636
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Other changes in net assets

Net unrealized gain (loss) on investments	\$11,515
Change in value of derivatives	(\$972)
Adjustment required to recognize additional minimum pension liability	\$0
Change in pension plan funded status	\$0
Effect of adoption of recognition provisions of FASB Statement No. 158	\$0
Other Changes	\$0
Increase (decrease) in unrestricted net assets	\$71,179

Valley Health System and Consolidated Affiliates- Consolidated Balance Sheets

(In Thousands)

	<u>12/31/2016</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$106,141
Investments	\$317,299
Assets limited as to use	\$0
Patient accounts receivable, net	\$92,952
Third-party settlements receivable	\$2,894
Inventory	\$17,598
Other current assets	\$21,088
Total current assets	<u>\$557,972</u>
 Contributions receivable from remainder trust	
Assets limited as to use, noncurrent	\$167,186
Property and equipment, net	\$647,966
 Other assets	
Goodwill	\$4,400
Investments	\$40,753
Other	(\$429)
Total other assets	<u>\$44,724</u>
 Total assets	<u><u>\$1,417,848</u></u>
 LIABILITIES AND NET ASSETS	
Current liabilities	
Current installments of long-term debt	\$7,220
Accounts payable and accrued expenses	\$47,512
Accrued salaries and wages	\$32,167
Third-party settlements payable	\$5,631
Other current liabilities	\$4,906
Total current liabilities	<u>\$97,436</u>
 Long-term debt, excluding current installments	\$402,357
Less unamortized discount & debt issuance costs	(\$2,738)
Accrued pension	\$85,067
Other liabilities	\$40,651
Total liabilities	<u>\$622,773</u>
 Net assets	
Unrestricted	\$771,727
Temporarily restricted	\$17,301
Permanently restricted	\$6,047
Total net assets	<u>\$795,075</u>
 Total liabilities and net assets	<u><u>\$1,417,848</u></u>