

Sky Lakes Medical Center, OR

- 1 Klamath Falls Intercommunity Hospital Authority, Revenue and Refunding Bonds (Sky Lakes Medical Center Project), Series 2016, \$53,325,000, Dated: June 23, 2016
- 2 Klamath Falls Intercommunity Hospital Authority, Revenue and Refunding Bonds (Sky Lakes Medical Center Project), Series 2012, \$17,000,000, Dated: November 29, 2012
- 3 Klamath Falls Intercommunity Hospital Authority (Oregon) Revenue and Refunding Bonds (Merle West Medical Center Project), Series 2006, \$38,960,000, Dated: August 31, 2006

Series 2006

Medical Staff

Fiscal Year Ended September 30, 2016

<u>Specialty</u>	<u>Staff Number</u>	<u>Percent of Admissions</u>	<u>Percent of Outpatient Registrations</u>	<u>Average Age</u>
Anesthesiology	10	0.03%	0.04%	52
Cardiology	5	1.40%	2.41%	54
Dermatology	2		1.38%	50
Ear Nose & Throat	3	0.26%	2.24%	50
Emergency Medicine	9	0.09%	5.85%	44
Endocrinology				
Family Practice	57	44.96%	48.92%	48
Gastroenterology	1			67
General Surgery	4	3.32%	3.35%	44
Internal Medicine	10	17.67%	6.40%	46
Neurology				
Neurosurgery				
Nuclear Medicine				
Obstetrics/Gynecology	6	11.73%	4.25%	48
Oncology	3	0.12%	4.13%	40
Ophthalmology	5	0.05%	0.07%	62
Orthopedic Surgery	6	10.11%	2.21%	55
Pathology	2			53
Pediatrics	8	9.72%	0.77%	48
Pulmonology/Critical Care	2	0.31%	0.42%	44
Radiology	4	0.06%	14.03%	45
Rheumatology	1		1.47%	72
Urology	1	0.17%	2.06%	59
Total/Average	139	100.00%	100.00%	52

Series 2016, 2012, 2006

Utilization - Sky Lakes Medical Center

Fiscal Year Ended September 30,

	<u>2016</u>
Admissions	5,054
Patient days	19,191
Average length of stay (days)	3.80
Average daily census	52.40
Average beds in service	105
Percent occupancy	52.4%
Deliveries	801
Total surgical procedures	
Inpatient surgical procedures	2,170
Outpatient surgical procedures	5,314
Emergency visits	
Emergency department	28,530
Urgent Care department	
Laboratory and Pathology tests	
MRI, CT - In house	
MRI, CT - Outpatient	
Physical Therapy	
Home Healthcare Visits	19,189
Total outpatient visits	

We converted our clinical system late in FY 2015. We are still working on determining how to best obtain several of our stat numbers--non reported numbers are still unavailable

Series 2016, 2012, 2006

Summary of Revenues and Expenses for SLMC and the Foundation (the Obligated Group) - (\$000s)

Fiscal Year Ended September 30,

	<u>2016</u>
Operating Revenue:	
Net revenue from patients	\$221,784
Other operating revenue	24,031
Net assets released from restrictions used for operations	373
Total Operating Revenue	246,188
Operating Expenses:	
Salaries and benefits	103,083
Supplies and drugs	34,756
Purchased services	27,137
Bad debt expense	
Depreciation and amortization	13,720
Provider tax	11,165
Interest expense	3,113
Other operating expenses	32,305
Total Operating Expenses	225,279
Income from Continuing Operations	20,909
Other Income/(Expense):	
Investment (loss) income	5,188
Contributions received	
Other non-operating income (expense)	(1,262)
Total Other Income/(Expenses)	3,926
Excess of Revenue Over Expenses	24,835

Series 2016, 2012

Sky Lakes Medical Center and the Foundation Debt Service Coverage

Fiscal Year Ended September 30,

	<u>2016</u>
Excess of Revenue over Expenses	24,908,000
Depreciation and Amortization	13,759,000
Interest Expense	3,113,000
Income Available for Debt Service	41,780,000
Maximum Debt Service Requirement	5,037,449
Maximum Debt Service Coverage Ratio	8.29

Series 2016, 2012

Sky Lakes Medical Center and the Foundation Liquidity Levels

Fiscal Year Ended September 30,

	<u>2016</u>
Availability Cash	152,565,000
Operating Expenses	225,415,000
Liquidity Level	247.04

Series 2016, 2012, 2006

Management's Discussion and Analysis of Financial Results for Fiscal Year Ended September 30, 2016 as Compared to Fiscal Year Ended September 30, 2015

Financial results for the fiscal year ended September 30, 2016 were extremely positive once again. The ~9% operating margin exceeded the budget and equalled the previous year's margin. Available cash, consisting of cash and cash equivalents, certificates of deposits and investments, again increased substantially over the prior year. While overall inpatient volumes and revenue were again fairly flat for the fourth year running, outpatient volumes and associated revenue increased substantially for the fifth consecutive year. More physician clinic practices were again added during 2016. As opportunities and/or needs arise, additional medical providers will be continue to be added in the future.

Series 2016, 2012, 2006

Sources of Gross Patient Service Revenue

Fiscal Year Ended September 30,

	<u>2016</u>
Medicare	48.6%
Medicaid	23.7%
Insured	20.3%
Self Pay	2.1%
Other	5.3%