

ELLIOT HOSPITAL OBLIGATED GROUP ISSUES

SERIES 2013 & 2016 BONDS

QUARTERLY REPORT

Twelve Months Ended June 30, 2017

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Elliot Health System

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Elliot Health System *
Consolidated Statement of Operations

	Three Months Ended June 30		Year to Date June 30		
	2016	2017	2015	2016	2017
Revenues:					
Net Patient Service Revenues	\$ 125,100,873	\$ 125,519,616	\$480,036,437	\$ 492,118,672	\$ 500,151,910
Medicaid Disproportionate Share	3,284,210	7,381,257	4,869,655	15,605,486	18,631,257
Investment Income	580,768	(97,012)	2,168,548	2,366,607	2,823,615
Other Revenues	5,975,909	11,476,887	22,551,145	24,464,469	27,665,403
Total Revenues	134,941,761	144,280,748	509,625,785	534,555,233	549,272,185
Expenses:					
Salaries, Wages & Fringe Benefits	79,743,197	87,426,932	312,367,601	319,295,566	338,156,561
Supplies & Other Expenses	33,225,409	38,761,211	138,676,969	142,348,890	151,018,241
Depreciation & Amortization	4,404,183	4,580,094	16,356,307	16,994,639	17,419,254
Interest	2,047,183	1,844,736	8,377,400	8,277,961	7,732,381
Medicaid Enhancement Tax	6,710,648	5,358,958	17,568,030	21,584,396	21,273,658
Total Operating Expenses	126,130,620	137,971,931	493,346,307	508,501,452	535,600,095
Net Gain/(Loss) from Operations	8,811,142	6,308,817	16,279,478	26,053,781	13,672,090
Gain (Loss) on Investments	411,896	3,618,301	1,331,314	(5,586,093)	7,235,484
Gain on Sale of Assets	(54,894)	(40,936)	(144,333)	(163,059)	(647,254)
Loss on Bond Refinancing	0	(17,911,323)	0	0	(21,117,864)
Equity in Net Loss of Subsidiary	0	0	0	0	0
Contributions to Community Agencies	(75,000)	(75,000)	(341,413)	(710,000)	(569,949)
Other	267,122	250,352	649,409	677,218	790,322
Nonoperating Gains (Losses), net	549,124	(14,158,606)	1,494,977	(5,781,934)	(14,309,261)
Excess (Deficiency) of Revenues, Support and Nonoperating Gains (Losses) Over Expenses	9,360,266	(7,849,789)	17,774,455	20,271,846	(637,171)
Net Transfers to Affiliates	0	0	0	0	0
Net Unrealized Gain (Loss) on Investment	0	0	0	0	0
Net Assets Released from Restriction	0	0	2,737,507	0	0
Other Activity, Net	(32,135,760)	21,494,579	(9,787,363)	(32,135,760)	21,494,579
Increase (Decrease) in Unrestricted Net Assets	(\$22,775,494)	\$13,644,790	\$10,724,599	(\$11,863,914)	\$20,857,408

* Parent and all Subsidiaries

Elliot Health System *
Consolidated Balance Sheet

	June 30		
	2015	2016	2017
Assets			
Current Assets:			
Cash & Cash Equivalents	\$73,633,293	\$89,480,373	\$114,905,550
Accounts Receivable from Patients, Net	51,309,684	56,430,386	57,962,546
Other Current Assets	14,637,640	13,593,351	10,250,237
Total Current Assets	139,580,617	159,504,109	183,118,332
Property, Plant & Equipment, Net	183,336,756	183,426,961	179,655,907
Investment in Subsidiary	0	0	0
Other Assets	27,097,597	8,661,921	9,922,166
Assets Whose Use Is Limited			
Board Designated Funds	95,353,693	91,557,988	100,170,703
Debt Service Reserve Funds	13,181,390	13,281,753	28,435,304
Employee Benefit Plans	11,738,726	12,527,047	14,746,583
Self Insured Funds	5,457,140	14,916,856	12,756,557
Restricted Funds	17,421,876	17,463,622	18,345,222
Total Assets	\$493,167,795	\$501,340,258	\$547,150,774
Liabilities & Net Assets			
Current Liabilities:			
Accounts Payable & Accrued Expenses	18,541,018	\$18,505,185	\$21,689,826
Other Accruals and Deferred Revenue	38,722,944	41,140,810	44,373,663
Note Payable/Curr Portion of Long Term Debt	4,100,502	4,242,637	5,411,722
Total Current Liabilities	61,364,464	63,888,631	71,475,211
Long-Term Debt, Net of Current Portion	147,217,271	140,890,626	167,668,206
Other Noncurrent Liabilities	104,843,331	128,404,384	119,662,902
Total Liabilities	313,425,066	333,183,641	358,806,319
Net Assets:			
Unrestricted	163,971,968	152,108,055	172,965,463
Temporarily Restricted	2,214,471	2,585,055	3,222,948
Permanently Restricted	13,556,290	13,463,507	12,156,045
Total Net Assets	179,742,729	168,156,617	188,344,456
Total Liabilities and Net Assets	\$493,167,795	\$501,340,258	\$547,150,774

* Parent and all Subsidiaries

Obligated Group *
Consolidated Statement of Operations

	Three Months Ended June 30		Year to Date June 30		
	2016	2017	2015	2016	2017
Revenues:					
Net Patient Service Revenues	\$ 96,940,819	\$ 97,673,722	\$369,541,084	\$ 379,203,618	\$ 388,837,972
Medicaid Disproportionate Share	3,284,210	7,381,257	4,869,655	15,605,486	18,631,257
Investment Income	511,995	(190,791)	1,892,582	2,081,202	2,509,468
Other Revenues	6,114,461	8,479,274	25,122,386	24,934,705	26,561,651
Total Revenues	106,851,485	113,343,462	401,425,707	421,825,011	436,540,347
Expenses:					
Salaries, Wages & Fringe Benefits	48,760,729	55,289,151	195,028,244	195,250,733	212,546,387
Supplies & Other Expenses	30,364,525	35,271,486	126,937,663	130,326,619	138,259,655
Depreciation & Amortization	3,777,468	4,009,692	13,605,303	14,343,629	15,052,314
Interest	1,992,922	1,826,858	8,120,767	8,056,995	7,601,484
Medicaid Enhancement Tax	6,710,648	5,358,958	17,568,030	21,584,396	21,273,658
Total Operating Expenses	91,606,293	101,756,145	361,260,007	369,562,372	394,733,498
Net Gain/(Loss) from Operations	15,245,193	11,587,317	40,165,700	52,262,639	41,806,849
Nonoperating Gains (Losses):					
Gain (Loss) on Investments	367,976	3,395,256	1,200,806	(4,799,313)	6,245,464
Gain on Sale of Assets	(16,724)	(14,277)	(31,668)	(38,546)	(527,573)
Loss on Bond Refinancing	0	(17,911,323)	0	0	(21,117,864)
Equity in Net Loss of Subsidiary	167,269	3,289,610	(689,692)	(679,136)	3,167,885
Contributions to Community Agencies	(75,000)	(75,000)	(341,413)	(710,000)	(569,949)
Other	731,084	842,290	2,864,731	2,813,611	3,121,538
Nonoperating Gains (Losses), net	1,174,606	(10,473,444)	3,002,764	(3,413,383)	(9,680,499)
Excess (Deficiency) of Revenues, Support and Nonoperating Gains (Losses) Over Expenses	16,419,798	1,113,873	43,168,464	48,849,255	32,126,350
Net Transfers to Affiliates	(5,445,000)	(7,250,000)	(20,690,055)	(26,375,000)	(32,290,000)
Net Unrealized Gain (Loss) on Investment	0	0	0	0	0
Net Assets Released from Restriction	0	0	1,219,616	13,908	20,806
Other Activity, Net	(28,286,604)	19,218,531	(8,355,678)	(28,286,604)	19,218,531
Increase (Decrease) in Unrestricted Net Assets	(\$17,311,806)	\$13,082,404	\$15,342,347	(\$5,798,441)	\$19,075,687

* Parent and all Subsidiaries

Obligated Group **
Consolidated Balance Sheet

	June 30		
	2015	2016	2017
Assets			
Current Assets:			
Cash & Cash Equivalents	\$60,638,431	\$75,119,945	\$100,399,116
Accounts Receivable from Patients, Net	40,458,151	45,685,254	47,462,177
Other Current Assets	15,427,308	14,363,668	12,200,725
Total Current Assets	116,523,890	135,168,867	160,062,018
Property, Plant & Equipment, Net	155,053,211	156,840,795	153,502,052
Investment in Subsidiary	30,111,181	28,872,045	37,592,219
Other Assets	24,326,722	7,229,672	5,783,562
Assets Whose Use Is Limited			
Board Designated Funds	81,138,703	78,025,538	84,851,690
Debt Service Reserve Funds	13,181,390	13,281,753	28,435,304
Employee Benefit Plans	11,738,726	12,527,047	14,746,583
Self Insured Funds	5,457,140	14,916,856	12,756,557
Restricted Funds	16,774,130	16,351,502	16,643,421
Total Assets	\$454,305,093	\$463,214,075	\$514,373,406
Liabilities & Net Assets			
Current Liabilities:			
Accounts Payable & Accrued Expenses	\$16,707,965	\$16,259,048	\$19,183,731
Other Accruals and Deferred Revenue	29,551,686	29,950,698	33,701,021
Note Payable/Curr Portion of Long Term Debt	3,358,173	3,656,062	5,193,846
Total Current Liabilities	49,617,824	49,865,808	58,078,598
Long-Term Debt, Net of Current Portion	139,018,927	134,097,150	166,379,891
Other Noncurrent Liabilities	96,516,003	116,047,930	108,860,243
Total Liabilities	285,152,754	300,010,888	333,318,731
Net Assets:			
Unrestricted	154,814,876	149,016,435	168,092,121
Temporarily Restricted	1,244,233	1,186,305	1,269,568
Permanently Restricted	13,093,230	13,000,447	11,692,985
Total Net Assets	169,152,339	163,203,187	181,054,675
Total Liabilities and Net Assets	\$454,305,093	\$463,214,075	\$514,373,406

** Elliot Hospital and Elliot Health System (Parent)

**Elliot Hospital
Utilization**

	Twelve Months Ended June 30			
	2014	2015	2016	2017
Discharges	12,400	12,763	12,475	12,405
Newborns	1,961	1,993	1,981	1,947
Total Discharges	14,361	14,756	14,456	14,352
Patient Days	54,791	58,857	56,110	57,179
Average Length of Stay (days)	4.4	4.6	4.5	4.6
Available Beds	234	234	238	238
Occupancy	64%	68%	65%	68%
Observation Cases	5,107	5,737	5,925	5,466
Medicare Case Mix Index	1.55	1.53	1.51	1.51
Deliveries	1,852	1,853	1,895	1,868
Operating Room Procedures	8,427	8,214	8,258	8,293
Outpatient Visits	508,833	521,248	518,746	506,060
Laboratory Tests	1,305,041	1,326,078	1,304,930	1,296,954
Emergency Room Visits	54,235	56,488	57,951	58,249
Londonderry UC Visits	13,038	13,846	13,912	14,895
River's Edge UC Visits	35,275	36,779	36,068	38,426
Total	102,548	107,113	107,931	111,570
Diagnostic Radiology Tests	80,073	80,594	81,131	81,769
MRIs	10,244	10,387	10,493	10,193
CT Scans	20,911	22,112	24,218	25,030
Ultrasound	28,833	31,579	32,337	29,589
Radiation Therapy Visits	16,168	17,028	17,803	15,560
EKGs	24,985	25,877	27,576	28,065

Elliot Hospital
Sources of Revenue by Payor

	Twelve Months Ended June 30			
	2014	2015	2016	2017
Medicare	37.8%	37.8%	37.5%	37.8%
Anthem	20.5%	19.8%	18.6%	18.9%
Cigna	8.0%	7.5%	6.8%	6.9%
Other Managed Care	14.2%	13.3%	15.5%	16.7%
Medicaid	11.0%	14.6%	14.9%	12.8%
Self Pay	3.7%	2.3%	2.2%	2.8%
Commercial Insurance	1.7%	2.3%	0.8%	0.2%
Other	3.1%	2.4%	3.7%	3.8%
Total	100.0%	100.0%	100.0%	100.0%