




July 21, 2017

### **CERTIFICATE OF CHIEF FINANCIAL OFFICER**

I, Grant D. Byers, the Chief Financial Officer of the Hospital Authority of Valdosta and Lowndes County, Georgia D/B/A South Georgia Medical Center, have reviewed the attached unaudited balance sheet, unaudited statement of revenues and expenses, and unaudited statement of cash flows for the nine month period ending June 30, 2017, and to the best of my knowledge the statements present fairly the financial position, results of operations, and cash flows of the Authority.

  
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Grant D. Byers  
Chief Financial Officer

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**South Georgia Medical Center**  
**SGMC Lanier Campus | SGMC Berrien Campus**

**HOSPITAL AUTHORITY OF VALDOSTA AND LOWNDES COUNTY  
BALANCE SHEET**

	(Unaudited) 30-Jun-17	(Unaudited) 30-Sep-16
<b>ASSETS</b>		
Operating cash	3,489,520	29,741,182
Assets limited as to use	-	-
Patient accounts receivable	37,481,644	40,794,654
Other receivables	7,970,570	9,448,748
Supplies	6,515,218	6,491,092
Other current assets	5,827,675	4,951,286
Total current assets	61,284,627	91,426,962
Assets limited as to use:		
Internally designated for capital improvement	320,526,490	279,192,469
Under trust agreement for professional liability claims	46,959	11,196,958
Under indenture agreement - held by trustee	3,961,235	6,944,359
By third party for primary and indigent care	-	-
Total assets limited as to use	324,534,684	297,333,787
Less assets limited as to use and required for current liabilities	-	-
Noncurrent assets limited as to use	324,534,684	297,333,787
Property and equipment, net	178,654,725	172,048,332
Other assets:		
Other receivables	1,378,408	1,334,981
Investments	87,136	154,925
Deferred overflows of resources:	14,206,044	18,463,651
Total other assets	15,671,588	19,953,557
Total assets	580,145,624	580,762,638

**HOSPITAL AUTHORITY OF VALDOSTA AND LOWNDES COUNTY  
BALANCE SHEET**

	(Unaudited) 30-Jun-17	(Unaudited) 30-Sep-16
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Current installments of long-term debt	5,155,371	5,160,939
Accounts payable	17,396,790	15,880,131
Accrued salaries and deductions	2,689,332	4,928,159
Accrued employee benefits	12,663,857	10,892,931
Accrued interest	2,680,366	5,040,831
Other accrued expenses	13,127,405	13,697,723
Deferred revenue	-	-
Estimated third-party payor settlements	1,894,213	1,221,986
Total current liabilities	55,607,334	56,822,700
Long-term debt:		
Bonds payable, net	198,924,842	204,196,263
Notes payable	-	-
Leases payable	-	-
Net Pension Liability	7,845,501	11,464,039
Long-term debt, excluding current installments	206,770,343	215,660,302
Deferred Inflows of Resources - Pension Gain	-	-
Unrestricted net assets	317,767,947	308,279,637
Total liabilities and net assets	580,145,624	580,762,638

**HOSPITAL AUTHORITY OF VALDOSTA AND LOWNDES COUNTY (COMBINED)**  
**STATEMENT OF OPERATIONS**  
**June 30, 2017**

Quarter to Date			Year to Date	
(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)
Actual	Prior Year		Actual	Prior Year
<b>REVENUE</b>				
<b>85,082,307</b>	83,068,630	Net patient service, net of bad debt	<b>250,270,813</b>	243,748,951
<b>2,457,937</b>	2,412,742	Other operating	<b>6,850,894</b>	7,399,651
<b>87,540,244</b>	85,481,372	Total revenue	<b>257,121,707</b>	251,148,602
<b>EXPENSES</b>				
<b>42,533,456</b>	36,362,104	Salaries and benefits	<b>119,189,309</b>	113,240,050
<b>21,148,214</b>	17,386,191	Supplies	<b>58,511,302</b>	53,361,211
<b>10,707,561</b>	9,953,260	Services	<b>34,113,113</b>	29,090,482
<b>4,510,452</b>	5,145,378	Depreciation / amortization	<b>13,642,411</b>	15,651,386
<b>9,050,561</b>	5,761,093	Medical / professional fees	<b>25,343,432</b>	18,466,807
<b>987,346</b>	966,994	Utilities	<b>2,863,813</b>	2,925,358
<b>2,363,560</b>	2,394,119	Interest	<b>7,109,500</b>	7,194,587
<b>599,008</b>	622,275	Education / recruitment	<b>1,745,874</b>	1,920,768
<b>1,150,052</b>	(308,924)	Insurance	<b>3,057,548</b>	1,502,193
<b>93,050,210</b>	78,282,490	Total expenses	<b>265,576,302</b>	243,352,842
<b>(5,509,966)</b>	7,198,882	Operating income	<b>(8,454,595)</b>	7,795,760
<b>7,656,917</b>	4,200,844	Investment income	<b>17,813,605</b>	10,965,963
<b>2,146,951</b>	11,399,726	Excess revenues	<b>9,359,010</b>	18,761,723

**HOSPITAL AUTHORITY OF VALDOSTA AND LOWNDES COUNTY**  
**STATEMENT OF CASH FLOWS**

(Unaudited)  
30-Jun-17

**OPERATING ACTIVITIES**

Operating income	(8,454,598)
Interest expense for capital financing	7,172,936
Depreciation and amortization expense	13,642,410
Amortization included in interest expense	(63,435)
Changes in:	
Patient accounts receivable	3,313,010
Supplies	(24,127)
Accounts payable	1,516,659
Amounts due to (from)	
Third party payers	672,227
Deferred third part reimbursement	-
Accrued expenses	(3,398,682)
Pension Activity	(104,188)
Net cash provided by operating activities	14,272,212

**CAPITAL AND FINANCING ACTIVITIES**

Additions to long-term debt	
Payment of long-term debt	(5,085,568)
Interest paid on long-term debt	(7,172,936)
Purchase of property, plant, and equipment	(19,633,532)
Contributions for capital improvements	129,300
Net cash used by capital and financing activities	(31,762,736)

**INVESTING ACTIVITIES**

Net purchase of investments	(41,280,013)
Income on investments	17,813,607
Increase in other assets	(876,389)
Increase in other receivables	1,434,752
Net cash provided (used) by investing activities	(22,908,043)
Net increase in cash and cash equivalents	(40,398,567)
Cash and cash equivalents, beginning of period	47,879,187
Cash and cash equivalents, end of period	7,480,620

Cash and cash equivalents in current assets	3,514,520
Cash and cash equivalents in assets limited as to use:	
Internally designated for capital improvements	4,865
Under trust agreement for professional liability claims	-
Under indenture agreement held by trustee	3,961,235
Total cash and cash equivalents	7,480,620