

## 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

Series 2016, 2012

### Utilization - Sky Lakes Medical Center

Fiscal Year Ended September 30,

	2017
Admissions	5,219
Patient days	19,881
Average length of stay (days)	3.81
Average daily census	54.50
Average beds in service	105
Percent occupancy	51.9
Deliveries	741
Total surgical procedures	
Inpatient surgical procedures	938
Outpatient surgical procedures	6,943
Emergency visits	
Emergency department	30,027
Urgent Care department	
Laboratory and Pathology tests	
MRI, CT - In house	
MRI, CT - Outpatient	
Physical Therapy	
Home Healthcare Visits	19,203
Total outpatient visits	

Series 2016, 2012

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

Fiscal Year Ended September 30,

	2017
<b>Operating Revenue:</b>	
Net revenue from patients	\$220,269
Other operating revenue	22,259
Net assets released from restrictions used for operations	326
<b>Total Operating Revenue</b>	<b>242,854</b>
<b>Operating Expenses:</b>	
Salaries and benefits	110,634
Supplies and drugs	35,177
Purchased services	28,974
Bad debt expense	
Depreciation and amortization	14,084
Provider tax	12,775
Interest expense	3,019
Other operating expenses	31,427
<b>Total Operating Expenses</b>	<b>236,090</b>
<b>Income from Continuing Operations</b>	<b>6,764</b>
<b>Other Income/(Expense):</b>	
Investment (loss) income	5,434
Contributions received	
Other non-operating income (expense)	-333
<b>Total Other Income/(Expenses)</b>	<b>5,101</b>
<b>Excess of Revenue Over Expenses</b>	<b>11,865</b>

Series 2016, 2012

### Sky Lakes Medical Center and the Foundation Debt Service Coverage

Fiscal Year Ended September 30,

	2017
Excess of Revenue over Expenses	11,865,000
Depreciation and Amortization	14,084,000
Interest Expense	3,019,000
<b>Income Available for Debt Service</b>	<b>28,968,000</b>
Maximum Debt Service Requirement	6,413,670
Maximum Debt Service Coverage Ratio	4.52

Series 2016, 2012

### Sky Lakes Medical Center and the Foundation Liquidity Levels

Fiscal Year Ended September 30,

	2017
Availability Cash	\$162,673,000
Operating Expenses	236,090,000
Liquidity Level	251.50

Series 2016, 2012

**Management's Discussion and Analysis of Financial Results for Fiscal Year Ended September 30, 2017 as Compared to Fiscal Year Ended September 30, 2016**

Financial results for the fiscal year ended September 30, 2017 were positive once again. The operating margin was lower than 2016 as 2016 had some significant HTPP funds (for meeting metrics) from the state of Oregon included in it which did not occur to the same extent in 2017. Available cash, consisting of cash and cash equivalents, certificates of deposits and investments, again increased over the prior year. While overall inpatient volumes and revenue were fairly flat for the fifth year running, outpatient volumes and associated revenue increased substantially for the sixth consecutive year. More physician clinic practices were again added during 2017. As opportunities and/or needs arise, additional medical providers will be continue to be added in the future.

Series 2016, 2012

**Sources of Gross Patient Service Revenue**

Fiscal Year Ended September 30,

	<u>2017</u>
Medicare	50.2%
Medicaid	22.8%
Insured	21.4%
Self Pay	2.1%
Other	3.6%