

**SOUTHEAST GEORGIA HEALTH SYSTEM
BALANCE SHEET**

	2015	2016	Projected 2017	Budget 2018	Forecast 2019	Forecast 2020
CURRENT ASSETS						
Cash & Cash Equivalents	\$ 21,506,000	\$ 22,034,000	\$ 26,447,000	\$ 7,695,000	\$ 11,134,000	\$ 7,983,000
Accounts Receivable - Trade	60,893,000	66,125,000	65,104,000	63,474,000	62,044,000	60,663,000
Accounts Receivable - Other	2,974,000	998,000	2,939,000	2,998,000	3,058,000	3,119,000
Inventories	7,994,000	7,705,000	7,431,000	7,282,000	7,209,000	7,137,000
Other Current Assets	3,611,000	4,233,000	3,750,000	3,938,000	4,135,000	4,342,000
TOTAL CURRENT ASSETS	96,978,000	101,095,000	105,671,000	85,387,000	87,580,000	83,244,000
Revenue Bonds - Sinking	139,000	1,934,000	2,600,000	3,763,000	3,878,000	3,865,000
Revenue Bonds - Debt Service Reserve	1,680,000	1,680,000	1,680,000	1,680,000	1,680,000	1,680,000
Revenue Bonds - Construction Funds	2,491,000	576,000	-	90,000,000	60,000,000	30,000,000
Self Insurance - Investments	5,100,000	3,881,000	6,100,000	6,222,000	6,368,000	6,514,000
Designated Cash & Investments	158,736,000	158,636,000	168,499,000	176,722,000	183,764,000	190,932,000
TOTAL RESTRICTED ASSETS	168,146,000	166,707,000	178,879,000	278,387,000	255,690,000	232,991,000
NET PROPERTY, PLANT, AND EQUIPMENT	243,479,000	239,480,000	236,933,000	256,369,000	292,929,000	335,723,000
Investment in Affiliates	-	-	-	-	-	-
Leverage Loan Receivable	9,785,000	9,785,000	9,785,000	9,785,000	-	-
Pension Assets in Excess of Obligation	-	-	-	-	-	-
Other Assets	113,000	280,000	101,000	103,000	105,000	107,000
	9,898,000	10,065,000	9,886,000	9,888,000	105,000	107,000
Deferred Outflow of Resources	18,641,000	-	-	(516,000)	(1,032,000)	(1,548,000)
TOTAL ASSETS	\$ 537,142,000	\$ 517,347,000	\$ 531,369,000	\$ 629,515,000	\$ 635,272,000	\$ 650,517,000
CURRENT LIABILITIES:						
Credit Line	-	-	-	-	-	-
Accounts Payable	13,741,000	12,366,000	12,841,000	13,199,000	13,473,000	13,790,000
Third Party Cost Settlement	3,802,000	5,086,000	3,125,000	4,469,000	4,246,000	4,034,000
Lease Obligations	1,235,000	1,491,000	1,389,000	237,000	118,000	-
Accrued Salaries and Compensated Absences	14,059,000	14,680,000	18,073,000	18,796,000	19,548,000	20,330,000
Accrued Malpractice	1,275,000	1,289,000	1,313,000	1,556,000	1,618,000	1,683,000
Estimated Claims Payable	5,171,000	5,325,000	4,550,000	4,733,000	4,915,000	5,122,000
Other Payables	2,821,000	2,915,000	3,260,000	3,390,000	3,526,000	3,667,000
Accrued Interest Payable	374,000	1,398,000	484,000	474,000	465,000	456,000
Current Portion of Long-term Obligations	2,129,000	1,521,000	4,445,000	4,385,000	4,550,000	4,545,000
Deferred Revenue	677,000	706,000	177,000	184,000	191,000	199,000
Intercompany Payables	-	-	-	-	-	-
TOTAL CURRENT LIABILITIES	45,284,000	46,777,000	49,657,000	51,423,000	52,650,000	53,826,000
Long-term Obligations	175,982,000	168,041,000	162,151,000	239,529,000	234,861,000	230,316,000
Pension Assets in Excess of Obligation	1,770,000	-	(178,000)	-	-	-
Notes to Community Development Entities	13,824,000	13,824,000	13,824,000	13,824,000	-	-
Accrued Malpractice	3,825,000	3,881,000	4,787,000	4,667,000	4,750,000	4,831,000
TOTAL LIABILITIES	240,685,000	232,523,000	230,241,000	309,443,000	292,261,000	288,973,000
FUND BALANCE	296,457,000	284,824,000	301,128,000	320,072,000	343,011,000	361,544,000
TOTAL LIABILITIES AND FUND BALANCE	\$ 537,142,000	\$ 517,347,000	\$ 531,369,000	\$ 629,515,000	\$ 635,272,000	\$ 650,517,000

**SOUTHEAST GEORGIA HEALTH SYSTEM
STATEMENT OF REVENUES AND EXPENSES**

	2015	2016	Projected 2017	%	Budget 2018	%	Forecast 2019	%	Forecast 2020	%
GROSS PATIENT REVENUE										
Room Accomation	\$ 98,738,000	\$ 100,876,000	\$ 105,601,000	4.7	\$ 111,024,000	5.1	\$ 112,913,000	1.7	\$ 114,837,000	1.7
I/P Ancillary Revenue	258,489,000	261,078,000	268,416,000	2.8	283,230,000	5.5	287,341,000	1.5	291,532,000	1.5
Total Inpatient Revenue	357,227,000	361,954,000	374,017,000	3.3	394,254,000	5.4	400,254,000	1.5	406,369,000	1.5
Total Outpatient Revenue	478,360,000	515,509,000	521,689,000	1.2	539,509,000	3.4	550,711,000	2.1	562,173,000	2.1
Total Patient Revenue	835,587,000	877,463,000	895,706,000	2.1	933,763,000	4.2	950,965,000	1.8	968,542,000	1.8
REVENUE DEDUCTIONS										
Medicare & Medicaid	325,422,000	344,670,000	351,261,000	1.9	371,428,000	5.7	378,180,000	1.8	383,876,000	1.5
Charity Care	18,401,000	14,928,000	17,171,000	15.0	25,696,000	49.6	26,174,000	1.9	26,667,000	1.9
Other Revenue Deductions	88,330,000	98,060,000	99,446,000	1.4	99,292,000	(0.2)	101,029,000	1.7	102,802,000	1.8
Bad Debts	57,383,000	52,070,000	53,868,000	3.5	51,214,000	(4.9)	51,736,000	1.0	52,618,000	1.7
Total Revenue Deductions	489,536,000	509,728,000	521,746,000	2.4	547,630,000	5.0	557,119,000	1.7	565,963,000	1.6
NET OPERATING REVENUE	346,051,000	367,735,000	373,960,000	1.7	386,133,000	3.3	393,846,000	2.0	402,579,000	2.2
Other Operating Revenue	6,786,000	5,771,000	3,814,000	(33.9)	4,051,000	6.2	4,039,000	(0.3)	4,090,000	1.3
TOTAL OPERATING REVENUE	352,837,000	373,506,000	377,774,000	1.1	390,184,000	3.3	397,885,000	2.0	406,669,000	2.2
EXPENSES										
Wages	137,197,000	145,200,000	149,681,000	3.1	157,637,000	5.3	161,631,000	2.5	165,718,000	2.5
Benefits	37,833,000	39,233,000	36,072,000	(8.1)	37,910,000	5.1	38,669,000	2.0	39,442,000	2.0
Contract Labor	11,221,000	13,646,000	18,761,000	37.5	14,939,000	(20.4)	15,072,000	0.9	15,212,000	0.9
Supplies	42,592,000	45,144,000	43,644,000	(3.3)	43,638,000	(0.0)	43,468,000	(0.4)	43,687,000	0.5
Drugs & IV's	21,575,000	28,582,000	31,022,000	8.5	32,136,000	3.6	32,773,000	2.0	33,423,000	2.0
Physician Fees	5,154,000	5,072,000	6,097,000	20.2	6,867,000	12.6	7,108,000	3.5	7,354,000	3.5
Professional Fees	5,605,000	5,272,000	4,362,000	(17.3)	5,113,000	17.2	5,215,000	2.0	5,319,000	2.0
Insurance	3,872,000	4,636,000	4,055,000	(12.5)	4,113,000	1.4	4,230,000	2.8	4,349,000	2.8
Utilities	5,358,000	4,949,000	5,385,000	8.8	5,135,000	(4.6)	5,242,000	2.1	5,349,000	2.0
Outside Services	27,669,000	29,885,000	30,007,000	0.4	30,444,000	1.5	31,047,000	2.0	31,663,000	2.0
Depreciation & Amortization	21,252,000	20,485,000	20,110,000	(1.8)	20,835,000	3.6	21,805,000	4.7	23,689,000	8.6
Provider Tax	5,048,000	5,231,000	5,100,000	(2.5)	5,423,000	6.3	5,494,000	1.3	5,567,000	1.3
Other Expense	9,027,000	9,749,000	9,095,000	(6.7)	9,640,000	6.0	9,929,000	3.0	10,170,000	2.4
Interest Expense	7,301,000	4,834,000	5,022,000	3.9	5,025,000	0.1	5,033,000	0.2	5,041,000	0.2
Total Operating Expenses	340,704,000	361,918,000	368,413,000	1.8	378,855,000	2.8	386,716,000	2.1	395,983,000	2.4
EXCESS REVENUE OVER EXPENSE FROM OPERATIONS	12,133,000	11,588,000	9,361,000	(19.2)	11,329,000	21.0	11,169,000	(1.4)	10,686,000	(4.3)
<i>Operating Margin</i>	3.5%	3.2%	2.5%		2.9%		2.8%		2.7%	
NON-OPERATING REVENUE (Expenses)										
Investment Income	3,974,000	4,673,000	4,213,000	(9.8)	4,805,000	14.1	4,901,000	2.0	4,999,000	2.0
Debt Issuance Expense	-	-	-		-		-		-	
Realized Market Gains (Losses)	9,422,000	2,062,000	(2,043,000)	(199.1)	1,020,000	(149.9)	1,031,000	1.1	1,042,000	1.1
Unrealized Market Gains (Losses)	(3,918,000)	(10,957,000)	11,983,000	(209.4)	2,520,000	(79.0)	2,550,000	1.2	2,580,000	1.2
Investment Income Total	9,478,000	(4,222,000)	14,153,000		8,345,000		8,482,000		8,621,000	
Restricted Income for Capital	68,000	(1,101,000)	(115,000)	(89.6)	-		-		-	
Other Non-Operating Revenue/(Expense)	(3,193,000)	1,631,000	441,000	(73.0)	175,000	(60.3)	4,218,000	0.0	183,000	0.0
Minority Interest	(690,000)	(890,000)	(1,620,000)	82.0	(905,000)	(44.1)	(931,000)	2.9	(958,000)	2.9
TOTAL NON-OPERATING REVENUE (Expenses)	5,663,000	(4,582,000)	12,859,000	(380.6)	7,615,000	(40.8)	11,769,000	54.6	7,846,000	(33.3)
Income From Camden Campus	-	-	-		-		-		-	
Income From CHSI	-	-	-		-		-		-	
Income From SCC-St. Marys	-	-	-		-		-		-	
Income From SCC-Brunswick	-	-	-		-		-		-	
Income From Foundation	-	-	-		-		-		-	
Income From QALICB	-	-	-		-		-		-	
EXCESS REVENUE OVER EXPENSE	\$ 17,796,000	\$ 7,006,000	\$ 22,220,000	(60.6)	\$ 18,944,000	(14.7)	\$ 22,938,000	21.1	\$ 18,532,000	(19.2)
<i>Total Margin</i>	5.1%	1.9%	5.9%		4.9%		5.8%		4.6%	

SOUTHEAST GEORGIA HEALTH SYSTEM
CONSOLIDATED OPERATING STATISTICS COMPARISONS

	2015	2016	Projected 2017	%	Budget 2018	%	Forecast 2019	%	Forecast 2020	%
ACUTE										
Admissions	13,116	12,987	13,502	4.0	13,582	0.6	13,679	0.7	13,776	0.7
Days	60,932	61,261	64,331	5.0	64,947	1.0	65,564	0.9	66,187	0.9
Average Length of Stay	4.65	4.72	4.76	1.0	4.78	0.4	4.79	0.2	4.80	0.2
Total Admissions	13,116	12,987	13,502	4.0	13,582	0.6	13,679	0.7	13,776	0.7
Total Patient Days	60,932	61,261	64,331	5.0	64,947	1.0	65,564	0.9	66,187	0.9
Average Length of Stay	4.65	4.72	4.76		4.78		4.79		4.80	
Average Daily Census (Excluding Newborns and Nursing Home)	166.9	167.8	176.2	5.0	177.9	1.0	179.6	0.9	181.3	0.9
Total Observation Cases	2,604	2,026	2,077	2.5	2,067	(0.5)	2,108	2.0	2,150	2.0
Total Observation Days	3,974	3,479	3,457	(0.6)	3,440	(0.5)	3,509	2.0	3,579	2.0
RESIDENT CARE CENTERS										
Admissions	683	647	600	(7.3)	610	1.7	634	3.9	636	0.3
Hold Days	684	630	683	8.4	692	1.4	715	3.4	718	0.3
Nursing Home Days	82,053	85,348	86,389	1.2	87,660	1.5	87,977	0.4	88,296	0.4
NEWBORNS										
Births	1,992	2,030	1,906	(6.1)	1,936	1.6	1,943	0.4	1,956	0.7
Days	4,563	4,606	4,198	(8.9)	4,325	3.0	4,346	0.5	4,368	0.5
Average Length of Stay	2.29	2.27	2.20	(2.9)	2.23	1.4	2.24	0.1	2.23	(0.2)
Case Mix Index (Acute only)	1.4890	1.5140	1.5238	0.6	1.5445	1.4	1.5481	0.2	1.5518	0.2
Acute Occupancy Rate	57.8%	57.9%	61.0%	5.3	61.6%	1.0	65.8%	6.9	66.4%	0.9
Cath Lab Procedures	1,737	2,024	2,039	0.7	2,069	1.5	2,110	2.0	2,150	1.9
Surgeries (1)										
Total Inpatient	3,389	3,519	3,540	0.6	3,576	1.0	3,579	0.1	3,602	0.6
Outpatient	4,265	4,440	4,721	6.3	4,770	1.0	4,811	0.9	4,854	0.9
Outpatient Care Center	3,575	3,441	3,139	(8.8)	3,155	0.5	3,188	1.0	3,220	1.0
Endoscopy	2,688	2,988	3,337	11.7	3,437	3.0	3,466	0.9	3,496	0.8
SGHS Endoscopy Center	3,030	2,920	2,824	(3.3)	2,909	3.0	2,938	1.0	2,968	1.0
Total Outpatient	13,558	13,789	14,021	1.7	14,271	1.8	14,403	0.9	14,538	0.9
Total Surgeries	16,947	17,308	17,561	1.5	17,846	1.6	17,982	0.8	18,140	0.9

SOUTHEAST GEORGIA HEALTH SYSTEM
CONSOLIDATED OPERATING STATISTICS COMPARISONS

	2015	2016	Projected 2017	%	Budget 2018	%	Forecast 2019	%	Forecast 2020	%
Emergency Visits	81,842	85,879	83,550	(2.7)	84,385	1.0	85,591	1.4	86,822	1.4
Other Outpatient (1) Based on patients	230,936	237,374	237,728	0.1	241,483	1.6	245,484	1.7	249,553	1.7
Cooperative Healthcare Services Outpatient Services	376,127	402,314	415,648	3.3	424,936	2.2	424,936	-	424,936	-
Adjusted Patient Days	142,526	148,511	154,061	3.7	153,822	(0.2)	155,773	1.3	157,750	1.3
Gross Revenue per Adj Pt Day	\$ 5,863	\$ 5,908	\$ 5,814	(1.6)	\$ 6,070	4.4	\$ 6,105	0.6	\$ 6,140	0.6
Net Revenue per Adj Pt Day(Includes Bad Debt)	\$ 2,428	\$ 2,476	\$ 2,427	(2.0)	\$ 2,510	3.4	\$ 2,528	0.7	\$ 2,552	0.9
Expense per Adj Pt Day(Excludes Bad Debt)	\$ 2,390	\$ 2,437	\$ 2,391	(1.9)	\$ 2,463	3.0	\$ 2,483	0.8	\$ 2,510	1.1
Total FTE's	2,296	2,389	2,481	3.9	2,544	2.5	2,544	-	2,544	-
FTE per Adj Occ Bed	5.88	5.89	5.89	0.1	6.04	2.4	5.96	(1.3)	5.89	(1.3)
Days Cash on Hand (Incl. Self Ins. Funds)	211.8	197.8	210.7	6.5	194.4	(7.8)	201.3	3.6	201.4	-
Days Cash on Hand (Incl. Construction funds & Debt Service)	216.7	202.3	215.2	6.4	291.7	35.5	266.9	(8.5)	236.3	(11.5)
Net Days in A/R (Rev. Net of Bad Debt)										
Hospitals	64.1	68.5	66.3	(3.2)	61.8	(6.9)	59.2	(4.1)	56.4	(4.9)
Total System	64.2	65.8	63.5	(3.4)	60.0	(5.6)	57.5	(4.2)	55.0	(4.3)

SOUTHEAST GEORGIA HEALTH SYSTEM
SUMMARY STATEMENT OF CASH FLOW

	<u>Projected 2017</u>	<u>Budget 2018</u>	<u>Forecast 2019</u>	<u>Forecast 2020</u>
Excess of Revenue Over Expense				
From Operations, net of Interest Expense	\$ 9,361,000	\$ 11,329,000	\$ 11,169,500	\$ 10,686,900
Depreciation & Amortization	<u>20,110,000</u>	<u>20,835,000</u>	<u>21,805,000</u>	<u>23,689,000</u>
Cash Flow From Operations	\$ 29,471,000	\$ 32,164,000	\$ 32,974,500	\$ 34,375,900
Investing Activities:				
Other Income, including Dividends & Interest	(1,179,000)	4,805,000	4,901,000	4,999,000
Gain/(Loss) From Investments:				
Realized	(2,043,000)	1,020,000	1,031,000	1,042,000
Unrealized	11,983,000	2,520,000	2,550,000	2,580,000
Other (Increases)/Decreases in Unrestricted Investments	<u>(8,761,000)</u>	<u>(8,345,000)</u>	<u>(8,482,000)</u>	<u>(8,621,000)</u>
Cash Flow From Investing Activity	-	-	-	-
<i>(Note: Preservation of Principal and Reinvestment of Earnings Results in No Change in Operating Cash)</i>				
Capital Related Activities:				
Purchase of Capital Assets				
Funded From Operations	(16,987,000)	(130,271,000)	(28,365,000)	(36,483,000)
Funded From Bond/Lease/Loan Funding	(576,000)	90,000,000	(30,000,000)	(30,000,000)
Issuance of Long-Term Debt/Capital Leases	-	-	-	-
Repayment of Long-Term Debt/Lease Obligations	(3,068,000)	76,166,000	(18,446,000)	(4,668,000)
Decrease/(Increase) in Bond Funds	<u>666,000</u>	<u>1,163,000</u>	<u>115,000</u>	<u>(13,000)</u>
Cash Used in Capital Related Activity	(19,965,000)	37,058,000	(76,696,000)	(71,164,000)
Working Capital:				
Decrease/(Increase) in Accounts Receivable	1,021,000	1,630,000	1,430,000	1,381,000
Increase/(Decrease) in Line of Credit	-	-	-	-
Increase/(Decrease) in Malpractice and Claims Payable	155,000	306,000	327,000	353,000
Increase/(Decrease) in Interest Payable	(914,000)	(10,000)	(9,000)	(9,000)
Other Changes	<u>(5,355,000)</u>	<u>(89,900,000)</u>	<u>45,412,500</u>	<u>31,912,100</u>
Cash Provided By/(Used in) Working Capital Changes	(5,093,000)	(87,974,000)	47,160,500	33,637,100
Net Increase Decrease in Cash and Equivalents	4,413,000	(18,752,000)	3,439,000	(3,151,000)
Cash and Equivalents at Beginning of Year	<u>22,034,000</u>	<u>26,447,000</u>	<u>7,695,000</u>	<u>11,134,000</u>
Cash and Equivalents at End of Period	\$ 26,447,000	\$ 7,695,000	\$ 11,134,000	\$ 7,983,000