Hackensack Meridian Health, Inc.

Financial Statements

June 30, 2021
(UNAUDITED)
Hackensack Meridian Health, Inc.

Index

June 30, 2021
(Unaudited)

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These financial statements are unaudited and as such, are not intended to be relied upon in making investment or other business decisions.
### HACKENSACK MERIDIAN HEALTH, INC
#### Consolidated Balance Sheets
**June 30, 2021 and December 31, 2020**
*(Unaudited)*

#### (in thousands)

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2021</th>
<th>December 31, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$543,073</td>
<td>$692,712</td>
</tr>
<tr>
<td>Patient accounts receivable, net</td>
<td>666,436</td>
<td>602,989</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>58,355</td>
<td>46,556</td>
</tr>
<tr>
<td>Other current assets</td>
<td>583,675</td>
<td>513,164</td>
</tr>
<tr>
<td>Assets limited as to use and short-term investments, current portion</td>
<td>1,116,415</td>
<td>744,048</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>2,967,954</td>
<td>2,599,469</td>
</tr>
<tr>
<td>Assets limited as to use and investments, non-current portion</td>
<td>3,985,569</td>
<td>4,114,107</td>
</tr>
<tr>
<td>Investments in joint ventures</td>
<td>147,638</td>
<td>145,487</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>3,280,530</td>
<td>3,197,040</td>
</tr>
<tr>
<td>Operating lease right-of-use assets, net</td>
<td>229,479</td>
<td>237,551</td>
</tr>
<tr>
<td>Other assets</td>
<td>156,189</td>
<td>164,687</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$10,767,359</td>
<td>$10,458,341</td>
</tr>
<tr>
<td><strong>Liabilities and Net Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current maturities of long-term debt and capital lease obligations</td>
<td>$60,726</td>
<td>$62,808</td>
</tr>
<tr>
<td>Current portion of operating lease obligations</td>
<td>35,127</td>
<td>34,468</td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>1,034,936</td>
<td>979,401</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>528,697</td>
<td>360,084</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>1,659,486</td>
<td>1,436,761</td>
</tr>
<tr>
<td>Long-term debt and capital lease obligation, less current maturities</td>
<td>3,171,669</td>
<td>3,196,456</td>
</tr>
<tr>
<td>Long-term operating lease obligations</td>
<td>202,038</td>
<td>209,350</td>
</tr>
<tr>
<td>Accrued pension benefits</td>
<td>135,256</td>
<td>317,354</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>693,840</td>
<td>955,354</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>5,862,289</td>
<td>6,115,275</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Without donor restrictions controlled by the Network</td>
<td>4,552,636</td>
<td>4,021,365</td>
</tr>
<tr>
<td>Without donor restrictions attributable to noncontrolling interests</td>
<td>86,496</td>
<td>83,309</td>
</tr>
<tr>
<td><strong>Net assets without donor restrictions</strong></td>
<td>4,639,132</td>
<td>4,104,674</td>
</tr>
<tr>
<td>Net assets with donor restrictions</td>
<td>265,938</td>
<td>238,392</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>4,905,070</td>
<td>4,343,066</td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td>$10,767,359</td>
<td>$10,458,341</td>
</tr>
</tbody>
</table>

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HACKENSACK MERIDIAN HEALTH, INC
Consolidated Statements of Operations
For the Six Months Ended June 30, 2021 and 2020
(Unaudited)

\[
\text{( in thousands) } \\
\begin{array}{lcccc}
\hline
\text{June 30, 2021} & & \text{June 30, 2020} \\
\hline
\text{Unrestricted revenue and other support} & & \\
\text{Net patient service revenue} & $2,992,126 & $2,449,579 \\
\text{Other revenue} & 292,847 & 585,323 \\
\text{Net gain on equity investments} & 13,644 & 7,272 \\
\text{Net assets released from restriction used for operating activities} & 7,079 & 11,259 \\
\text{Total unrestricted revenues and other support} & 3,305,696 & 3,053,433 \\
\hline
\text{Expenses} & & \\
\text{Salaries and contracted labor} & 1,258,620 & 1,218,864 \\
\text{Physician salaries and fees} & 244,375 & 230,298 \\
\text{Employee benefits} & 310,381 & 264,136 \\
\text{Supplies and other expenses} & 1,228,334 & 1,111,027 \\
\text{Depreciation and amortization} & 134,942 & 129,049 \\
\text{Interest} & 50,767 & 40,842 \\
\text{Total expenses} & 3,227,419 & 2,994,216 \\
\hline
\text{Excess of revenues over expenses before other operating adjustments} & 78,277 & 59,217 \\
\hline
\text{Other operating adjustments} & & \\
\text{Investment income} & 265,564 & (57,437) \\
\text{Unrealized gain on derivative investments} & 71,590 & (21,403) \\
\text{Loss on termination of debt/swaps} & (62,568) & - \\
\text{Other gains, net} & 25,619 & 20,757 \\
\text{Excess of revenues over expenses} & 378,489 & 1,134 \\
\hline
\text{Other adjustments in net assets without donor restrictions} & & \\
\text{Net assets released from restriction for capital acquisition} & 5,750 & 2,139 \\
\text{Pension-related adjustments} & 154,339 & (230,279) \\
\text{Other changes} & (11) & 778 \\
\text{Distributions to noncontrolling interests} & (4,102) & 2,348 \\
\text{Increase in net assets without donor restrictions} & $534,465 & $(223,880) \\
\hline
\end{array}
\]

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### Hackensack Meridian Health, Inc
#### Detail by Hospital Campus - Consolidating Statement of Operations
For the Six Months Ended June 30, 2021
(Unaudited)

<table>
<thead>
<tr>
<th>Hospital Campus</th>
<th>Total Before Elimination</th>
<th>Elimination</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Palisades Medical Center</td>
<td>$2,962,126</td>
<td>$374,338</td>
<td>$2,587,788</td>
</tr>
<tr>
<td>JFW Medical Center</td>
<td>$2,962,126</td>
<td>$374,338</td>
<td>$2,587,788</td>
</tr>
<tr>
<td>Bayshore Medical Center</td>
<td>$2,962,126</td>
<td>$374,338</td>
<td>$2,587,788</td>
</tr>
<tr>
<td>Jersey Shore University Medical Center</td>
<td>$2,962,126</td>
<td>$374,338</td>
<td>$2,587,788</td>
</tr>
<tr>
<td>Ocean Medical Center</td>
<td>$2,962,126</td>
<td>$374,338</td>
<td>$2,587,788</td>
</tr>
<tr>
<td>Raritan Bay Medical Center Old Bridge</td>
<td>$2,962,126</td>
<td>$374,338</td>
<td>$2,587,788</td>
</tr>
<tr>
<td>Raritan Bay Medical Center Perth Amboy</td>
<td>$2,962,126</td>
<td>$374,338</td>
<td>$2,587,788</td>
</tr>
<tr>
<td>Riverview Medical Center</td>
<td>$2,962,126</td>
<td>$374,338</td>
<td>$2,587,788</td>
</tr>
<tr>
<td>Southern Ocean Medical Center</td>
<td>$2,962,126</td>
<td>$374,338</td>
<td>$2,587,788</td>
</tr>
<tr>
<td>Carrier Clinic</td>
<td>$2,962,126</td>
<td>$374,338</td>
<td>$2,587,788</td>
</tr>
<tr>
<td>Total Hospital Campuses</td>
<td>$2,962,126</td>
<td>$374,338</td>
<td>$2,587,788</td>
</tr>
<tr>
<td>Other Affiliates</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$2,962,126</td>
<td>$374,338</td>
<td>$2,587,788</td>
</tr>
</tbody>
</table>

### Net patient service revenue
- Hackensack University Medical Center: $965,001
- Palisades Medical Center: $91,965
- Jersey Shore University Medical Center: $85,705
- Ocean Medical Center: $88,562
- Raritan Bay Medical Center Old Bridge: $213,085
- Raritan Bay Medical Center Perth Amboy: $41,216
- Riverview Medical Center: $164,308
- Southern Ocean Medical Center: $109,227
- Carrier Clinic: $37,223

### Other revenue
- Hackensack University Medical Center: $95,222
- Palisades Medical Center: 7,297
- Jersey Shore University Medical Center: 4,228
- Raritan Bay Medical Center Old Bridge: 36,813
- Raritan Bay Medical Center Perth Amboy: 16,113
- Riverview Medical Center: 4,353
- Southern Ocean Medical Center: 1,453
- Carrier Clinic: 3,071

### Net gain on equity investments
- Hackensack University Medical Center: $13,880
- Palisades Medical Center: -
- Jersey Shore University Medical Center: 1,016
- Ocean Medical Center: -
- Raritan Bay Medical Center Old Bridge: -
- Raritan Bay Medical Center Perth Amboy: -
- Riverview Medical Center: 14,896
- Southern Ocean Medical Center: -
- Carrier Clinic: -

### Net assets released from restriction used for operating activities
- Hackensack University Medical Center: $2,704
- Palisades Medical Center: 240
- Jersey Shore University Medical Center: 96
- Ocean Medical Center: 111
- Raritan Bay Medical Center Old Bridge: 886
- Raritan Bay Medical Center Perth Amboy: 295
- Riverview Medical Center: 6
- Southern Ocean Medical Center: 204
- Carrier Clinic: 1,528
- Total: 5,079

### Total unrestricted revenues and other support
- Hackensack University Medical Center: $1,076,807
- Palisades Medical Center: 98,502
- Jersey Shore University Medical Center: 343,959
- Ocean Medical Center: 293,744
- Raritan Bay Medical Center Old Bridge: 80,174
- Raritan Bay Medical Center Perth Amboy: 30,894
- Riverview Medical Center: 312,894
- Southern Ocean Medical Center: 38,983
- Carrier Clinic: 1,954
- Total: $2,860,284

### Expenses
- Salaries and contracted labor: $353,441
- Physician salaries and fees: 13,251
- Employee Benefits: 86,001
- Supplies and other: 506,327
- Depreciation and amortization: 41,733
- Interest: 15,307
- Total: $1,016,060

### Excess of revenues over expenses before other operating adjustments
- Hackensack University Medical Center: $60,747
- Palisades Medical Center: 2,501
- Jersey Shore University Medical Center: -19,458
- Ocean Medical Center: 5,246
- Raritan Bay Medical Center Old Bridge: 32,446
- Raritan Bay Medical Center Perth Amboy: 10,070
- Riverview Medical Center: -9,685
- Southern Ocean Medical Center: 8,264
- Carrier Clinic: 9,820
- Total: $1,016,060

### Interest
- Hackensack University Medical Center: 5,501
- Palisades Medical Center: -19,458
- Jersey Shore University Medical Center: 5,246
- Ocean Medical Center: 10,070
- Raritan Bay Medical Center Old Bridge: -9,685
- Raritan Bay Medical Center Perth Amboy: 8,264
- Riverview Medical Center: 9,820
- Southern Ocean Medical Center: 4,335
- Carrier Clinic: 10,762
- Total: 5,501

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