

Hackensack Meridian Health, Inc.

Financial Statements

September 30, 2021
(UNAUDITED)

Hackensack Meridian Health, Inc.

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**September 30, 2021
(Unaudited)**

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HACKENSACK MERIDIAN HEALTH, INC
Consolidated Balance Sheets
September 30, 2021 and December 31, 2020
(Unaudited)

(in thousands)

	September 30, 2021	December 31, 2020
Assets		
Current assets		
Cash and cash equivalents	\$ 421,809	\$ 692,712
Patient accounts receivable, net	703,382	602,989
Pledges receivable, net	67,624	46,556
Other current assets	575,724	513,164
Assets limited as to use and short-term investments, current portion	1,314,674	744,048
Total current assets	3,083,213	2,599,469
Assets limited as to use and investments, non-current portion		
Investments in joint ventures	3,732,663	4,114,107
Property and equipment, net	169,993	145,487
Operating lease right-of-use assets, net	3,297,110	3,197,040
Other assets	224,049	237,551
Total assets	\$ 10,662,290	\$ 10,458,341
Liabilities and Net Assets		
Current liabilities		
Current maturities of long-term debt and capital lease obligations	\$ 79,636	\$ 62,808
Current portion of operating lease obligations	34,920	34,468
Accounts payable and accrued expenses	1,013,944	979,401
Other current liabilities	607,982	360,084
Total current liabilities	1,736,482	1,436,761
Long-term debt and capital lease obligation, less current maturities		
Long-term operating lease obligations	3,116,387	3,196,456
Accrued pension benefits	196,886	209,350
Other liabilities	147,487	317,354
Total liabilities	5,705,018	6,115,275
Net assets		
Without donor restrictions controlled by the Network	4,594,401	4,021,365
Without donor restrictions attributable to noncontrolling interests	88,996	83,309
Net assets without donor restrictions	4,683,397	4,104,674
Net assets with donor restrictions	273,875	238,392
Total net assets	4,957,272	4,343,066
Total liabilities and net assets	\$ 10,662,290	\$ 10,458,341

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

(in thousands)

	September 30, 2021	September 30, 2020
Unrestricted revenue and other support		
Net patient service revenue	\$ 4,589,595	\$ 3,855,887
Other revenue	373,521	725,639
Net gain on equity investments	41,075	9,055
Net assets released from restriction used for operating activities	11,486	16,944
Total unrestricted revenues and other support	5,015,677	4,607,525
Expenses		
Salaries and contracted labor	1,914,357	1,838,866
Physician salaries and fees	364,418	337,728
Employee benefits	465,203	420,087
Supplies and other expenses	1,850,028	1,666,844
Depreciation and amortization	206,646	196,298
Interest	73,928	64,130
Total expenses	4,874,580	4,523,953
Excess of revenues over expenses before other operating adjustments	141,097	83,572
Other operating adjustments		
Investment income	243,504	43,677
Unrealized gain on derivative investments	71,661	(19,516)
Loss on termination of debt/swaps	(62,568)	-
Other gains, net	38,103	31,283
Excess of revenues over expenses	431,797	139,016
Other adjustments in net assets without donor restrictions		
Net assets released from restriction for capital acquisition	11,319	5,114
Transfers (to)/from affiliates	(1,368)	-
Pension-related adjustments	135,835	(193,574)
Other changes	7,605	774
Distributions to noncontrolling interests	(6,465)	264
Increase in net assets without donor restrictions	\$ 578,723	\$ (48,406)

Hackensack Meridian Health, Inc.
Detail by Hospital Campus - Consolidating Statement of Operations
For the Nine Months Ended September 30, 2021
(Unaudited)
(in thousands)

	Hackensack University Medical Center	Palisades Medical Center	JFK Medical Center	Bayshore Medical Center	Jersey Shore University Medical Center	Ocean Medical Center	Raritan Bay Medical Center Old Bridge	Raritan Bay Medical Center Perth Amboy	Riverview Medical Center	Southern Ocean Medical Center	Carrier Clinic	Total Hospital Campuses	Other Affiliates	Total Before Elimination	Elimination	Total
Net patient service revenue	\$ 1,463,531	\$ 133,451	\$ 487,960	\$ 136,083	\$ 799,605	\$ 329,160	\$ 92,473	\$ 94,865	\$ 255,918	\$ 167,848	\$ 58,464	\$ 4,019,358	\$ 583,815	\$ 4,603,173	\$ (13,578)	\$ 4,589,595
Other revenue	117,250	8,177	31,727	3,732	41,948	19,702	4,311	8,494	7,786	4,604	1,443	249,174	145,060	394,234	(20,713)	373,521
Net gain on equity investments	17,282	-	1,550	-	-	-	-	-	-	-	-	18,832	22,243	41,075	-	41,075
Net assets released from restriction used for operating activities	4,153	247	372	174	2,395	351	33	273	1,596	57	952	10,603	883	11,486	-	11,486
Total unrestricted revenues and other support	<u>1,602,216</u>	<u>141,875</u>	<u>521,609</u>	<u>139,989</u>	<u>843,948</u>	<u>349,213</u>	<u>96,817</u>	<u>103,632</u>	<u>265,300</u>	<u>172,509</u>	<u>60,859</u>	<u>4,297,967</u>	<u>752,001</u>	<u>5,049,968</u>	<u>(34,291)</u>	<u>5,015,677</u>
Expenses																
Salaries and contracted labor	533,534	64,777	229,193	58,573	289,251	137,993	35,172	55,606	102,330	59,934	34,115	1,600,478	316,336	1,916,814	(2,457)	1,914,357
Physician salaries and fees	19,302	6,106	1,221	2,689	15,327	9,425	698	3,811	6,219	2,540	4,924	72,262	292,156	364,418	-	364,418
Employee Benefits	129,392	18,543	52,262	14,391	66,574	29,437	6,660	17,769	23,605	14,480	10,263	383,376	93,599	476,975	(11,772)	465,203
Supplies and other	751,757	49,965	230,028	45,691	361,054	135,791	35,153	40,391	100,153	70,720	13,480	1,834,183	35,907	1,870,090	(20,062)	1,850,028
Depreciation and amortization	62,572	4,942	24,070	9,200	35,869	13,912	2,942	3,753	11,969	6,209	2,908	178,346	28,300	206,646	-	206,646
Interest	22,206	2,025	5,861	1,998	17,635	5,326	1,063	1,562	4,344	2,482	322	64,824	9,104	73,928	-	73,928
Total expenses	<u>1,518,763</u>	<u>146,358</u>	<u>542,635</u>	<u>132,542</u>	<u>785,710</u>	<u>331,884</u>	<u>81,688</u>	<u>122,892</u>	<u>248,620</u>	<u>156,365</u>	<u>66,012</u>	<u>4,133,469</u>	<u>775,402</u>	<u>4,908,871</u>	<u>(34,291)</u>	<u>4,874,580</u>
Excess of revenues over expenses before other operating adjustments	<u>\$ 83,453</u>	<u>\$ (4,483)</u>	<u>\$ (21,026)</u>	<u>\$ 7,447</u>	<u>\$ 58,238</u>	<u>\$ 17,329</u>	<u>\$ 15,129</u>	<u>\$ (19,260)</u>	<u>\$ 16,680</u>	<u>\$ 16,144</u>	<u>\$ (5,153)</u>	<u>\$ 164,498</u>	<u>\$ (23,401)</u>	<u>\$ 141,097</u>	<u>\$ -</u>	<u>\$ 141,097</u>