

Hackensack Meridian Health, Inc.

Financial Statements

March 31, 2022
(UNAUDITED)

Hackensack Meridian Health, Inc.

Index

March 31, 2022
(Unaudited)

	<u>Pages</u>
Consolidated Balance Sheets	1
Consolidated Statements of Operations	2
Detail by Hospital Campus - Consolidating Statement of Operations	3

HACKENSACK MERIDIAN HEALTH, INC
Consolidated Balance Sheets
March 31, 2022 and December 31, 2021
(Unaudited)

(in thousands)

	March 31, 2022	December 31, 2021
Assets		
Current assets		
Cash and cash equivalents	\$ 387,799	\$ 388,485
Patient accounts receivable, net	724,704	720,439
Pledges receivable, net	69,321	72,857
Other current assets	540,047	522,584
Assets limited as to use and short-term investments, current portion	1,322,509	1,369,088
Total current assets	3,044,380	3,073,453
Assets limited as to use and investments, non-current portion		
Investments in joint ventures	3,509,090	3,770,141
Property and equipment, net	173,608	170,507
Operating lease right-of-use assets, net	3,231,656	3,174,923
Other assets	216,250	218,322
	342,195	326,502
Total assets	<u>\$ 10,517,179</u>	<u>\$ 10,733,848</u>
Liabilities and Net Assets		
Current liabilities		
Current maturities of long-term debt and capital lease obligations	\$ 78,462	\$ 80,507
Current portion of operating lease obligations	40,473	35,531
Accounts payable and accrued expenses	1,167,938	1,116,072
Other current liabilities	437,456	525,464
Total current liabilities	1,724,329	1,757,574
Long-term debt and capital lease obligation, less current maturities		
Long-term operating lease obligations	3,062,140	3,068,243
Accrued pension benefits	183,598	190,688
Other liabilities	57,634	110,470
	485,473	495,830
Total liabilities	5,513,174	5,622,805
Net assets		
Without donor restrictions controlled by the Network	4,629,712	4,731,238
Without donor restrictions attributable to noncontrolling interests	77,637	79,916
Net assets without donor restrictions	4,707,349	4,811,154
Net assets with donor restrictions	296,656	299,889
Total net assets	5,004,005	5,111,043
Total liabilities and net assets	<u>\$ 10,517,179</u>	<u>\$ 10,733,848</u>

HACKENSACK MERIDIAN HEALTH, INC
Consolidated Statements of Operations
For the Three Months Ended March 31, 2022 and 2021
(Unaudited)

(in thousands)

	March 31, 2022	March 31, 2021
Unrestricted revenue and other support		
Net patient service revenue	\$ 1,497,450	\$ 1,424,045
Other revenue	82,912	75,223
Net gain on equity investments	1,289	7,771
Net assets released from restriction used for operating activities	4,349	3,481
Total unrestricted revenues and other support	1,586,000	1,510,520
Expenses		
Salaries and contracted labor	662,471	592,565
Physician salaries and fees	125,219	116,962
Employee benefits	142,279	147,823
Supplies and other expenses	636,859	599,437
Depreciation and amortization	65,433	65,379
Interest	20,973	24,366
Total expenses	1,653,234	1,546,532
Income from operations before other operating adjustments	(67,234)	(36,012)
Federal legislative relief-CARES Act and other	45,063	1,083
Federal legislative relief- FEMA	39,921	68,723
Income from operations after other operating adjustments	17,750	33,794
Other operating adjustments		
Investment income	(175,475)	94,696
Unrealized gain on derivative investments	(507)	17,771
Other gains, net	13,098	12,757
Excess of revenues over expenses	(145,134)	159,018
Other adjustments in net assets without donor restrictions		
Net assets released from restriction for capital acquisition	14,210	1,941
Pension-related adjustments	43,010	171,891
Other changes	397	(3,839)
Change in discontinued operations - Long Term Care	(12,438)	(17,457)
Distributions to noncontrolling interests	(3,850)	(2,348)
Increase in net assets without donor restrictions	\$ (103,805)	\$ 309,206



Hackensack Meridian Health, Inc
Detail by Hospital Campus - Consolidating Statement of Operations
For the Three Months Ended March 31, 2022
(Unaudited)
(in thousands)

	Hackensack University Medical Center	Palisades Medical Center	JFK University Medical Center	Bayshore Medical Center	Jersey Shore University Medical Center	Ocean University Medical Center	Old Bridge Medical Center	Raritan Bay Medical Center	Raritan Bay LongTerm Acute Hos	Riverview Medical Center	Southern Ocean Medical Center	Carrier Clinic	Hospital Elimination	Total Hospital Campuses	Other Affiliates	Total Before Elimination	Elimination	Total
Net patient service revenue	\$ 466,316	\$ 46,195	\$ 155,278	\$ 44,925	\$ 289,667	\$ 114,152	\$ 31,563	\$ 34,161	\$ -	\$ 86,127	\$ 56,410	\$ 18,374	\$ -	\$ 1,343,168	\$ 159,677	\$ 1,502,845	\$ (5,395)	\$ 1,497,450
Other revenue	29,267	1,279	8,676	397	8,279	2,854	631	1,166	-	1,481	1,040	175	-	55,245	35,578	90,823	(7,911)	82,912
Net gain on equity investments	4,604	-	429	-	-	-	-	-	-	-	-	-	-	5,033	(3,744)	1,289	-	1,289
Net assets released from restriction used for operating activities	2,488	8	90	5	777	227	4	55	-	20	7	320	-	4,001	348	4,349	-	4,349
Total unrestricted revenues and other support	<u>502,675</u>	<u>47,482</u>	<u>164,473</u>	<u>45,327</u>	<u>298,723</u>	<u>117,233</u>	<u>32,198</u>	<u>35,382</u>	<u>-</u>	<u>87,628</u>	<u>57,457</u>	<u>18,869</u>	<u>-</u>	<u>1,407,447</u>	<u>191,859</u>	<u>1,599,306</u>	<u>(13,306)</u>	<u>1,586,000</u>
Expenses																		
Salaries and contracted labor	194,236	21,865	81,938	22,902	107,403	52,172	12,726	17,847	220	38,759	21,174	12,291	-	583,533	79,587	663,120	(649)	662,471
Physician salaries and fees	10,610	2,151	1,891	898	7,062	3,600	398	1,403	-	2,190	720	1,466	-	32,389	92,830	125,219	-	125,219
Employee Benefits	38,019	5,413	19,379	5,164	23,977	10,927	3,224	4,933	3	8,250	4,925	2,975	-	127,189	19,962	147,151	(4,872)	142,279
Supplies and other	227,879	16,075	70,371	18,056	110,709	46,385	10,457	13,493	3	33,650	22,254	4,169	-	573,501	71,143	644,644	(7,785)	636,859
Depreciation and amortization	20,312	1,655	8,270	2,110	12,156	4,556	1,091	1,243	-	4,031	2,025	863	-	58,312	7,121	65,433	-	65,433
Interest	8,792	517	1,571	744	4,521	1,416	493	442	-	1,016	599	-	-	20,111	862	20,973	-	20,973
Total expenses	<u>499,848</u>	<u>47,676</u>	<u>183,420</u>	<u>49,874</u>	<u>265,828</u>	<u>119,056</u>	<u>28,389</u>	<u>39,361</u>	<u>226</u>	<u>87,896</u>	<u>51,697</u>	<u>21,764</u>	<u>-</u>	<u>1,395,035</u>	<u>271,505</u>	<u>1,666,540</u>	<u>(13,306)</u>	<u>1,653,234</u>
Income from operations before other operating adjustments	2,827	(194)	(18,947)	(4,547)	32,895	(1,823)	3,809	(3,979)	(226)	(268)	5,760	(2,895)	-	12,412	(79,646)	(67,234)	-	(67,234)
Federal legislative relief CARES Act and other	479	-	51	-	-	-	-	-	-	-	-	22	-	552	44,511	45,063	-	45,063
Federal legislative relief- FEMA	15,943	969	5,060	985	8,038	3,185	681	814	-	2,532	1,193	519	-	39,919	2	39,921	-	39,921
Income from operations after other operating adjustments	<u>\$ 19,249</u>	<u>\$ 775</u>	<u>\$ (13,836)</u>	<u>\$ (3,562)</u>	<u>\$ 40,933</u>	<u>\$ 1,362</u>	<u>\$ 4,490</u>	<u>\$ (3,165)</u>	<u>\$ (226)</u>	<u>\$ 2,264</u>	<u>\$ 6,953</u>	<u>\$ (2,354)</u>	<u>\$ -</u>	<u>\$ 52,883</u>	<u>\$ (35,133)</u>	<u>\$ 17,750</u>	<u>\$ -</u>	<u>\$ 17,750</u>