

Hackensack Meridian Health, Inc.

Financial Statements

September 30, 2022
(UNAUDITED)

Hackensack Meridian Health, Inc.

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**September 30, 2022
(Unaudited)**

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**Hackensack Meridian Health Network
Consolidated Balance Sheets
September 30, 2022 and December 31, 2021
(Unaudited)**

(in thousands)

	<u>September 30, 2022</u>	<u>December 31, 2021</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 363,698	\$ 388,485
Patient accounts receivable, net	738,605	720,439
Pledges receivable, net	79,258	72,857
Other current assets	522,463	522,584
Assets limited as to use and short-term investments, current portion	1,214,176	1,369,088
Total current assets	2,918,200	3,073,453
Assets limited as to use and investments, non-current portion		
Investments in joint ventures	171,217	170,507
Property and equipment, net	3,319,166	3,174,923
Operating lease right-of-use assets, net	221,341	218,322
Other assets	324,841	326,502
Total assets	<u>\$ 9,652,793</u>	<u>\$ 10,733,848</u>
Liabilities and Net Assets		
Current liabilities		
Current maturities of long-term debt and capital lease obligations	\$ 159,202	\$ 80,507
Current portion of operating lease obligations	36,338	35,531
Accounts payable and accrued expenses	1,169,051	1,116,072
Other current liabilities	213,280	525,464
Total current liabilities	1,577,871	1,757,574
Long-term debt and capital lease obligation, less current maturities	2,981,844	3,068,243
Long-term operating lease obligations	193,479	190,688
Accrued pension benefits	77,600	110,470
Other liabilities	482,615	495,830
Total liabilities	5,313,409	5,622,805
Net assets		
Without donor restrictions controlled by the Network	3,990,774	4,731,238
Without donor restrictions attributable to noncontrolling interests	54,017	79,916
Net assets without donor restrictions	4,044,791	4,811,154
Net assets with donor restrictions	294,593	299,889
Total net assets	4,339,384	5,111,043
Total liabilities and net assets	<u>\$ 9,652,793</u>	<u>\$ 10,733,848</u>

**Hackensack Meridian Health Network
Consolidated Statements of Operations
For the Nine Months Ended September 30, 2022 and 2021
(Unaudited)**

(in thousands)

	September 30, 2022	September 30, 2021
Unrestricted revenue and other support		
Net patient service revenue	\$ 4,652,939	\$ 4,459,596
Other revenue	229,368	207,557
Net gain on equity investments	(578)	41,075
Net assets released from restriction used for operating activities	11,463	11,486
Total unrestricted revenues and other support	4,893,192	4,719,714
Expenses		
Salaries and contracted labor	2,020,015	1,818,963
Physician salaries and fees	389,641	364,341
Employee benefits	425,049	442,052
Supplies and other expenses	1,929,347	1,802,051
Depreciation and amortization	200,148	200,528
Interest	61,443	68,888
Total expenses	5,025,643	4,696,823
Income from operations before other operating adjustments	(132,451)	22,891
Federal legislative relief-CARES Act and other	44,871	1,083
Federal legislative relief- FEMA	107,490	143,938
Income from operations after other operating adjustments	19,910	167,912
Other operating adjustments		
Investment income	(794,371)	243,487
Unrealized gain on derivative investments	-	71,661
Loss on termination of debt/swaps	-	(62,568)
Other gains, net	39,497	38,090
Excess of revenues over expenses	(734,964)	458,582
Other adjustments in net assets without donor restrictions		
Net assets released from restriction for capital acquisition	43,025	11,319
Pension-related adjustments	5,331	135,835
Other changes	(24,867)	5,528
Change in discontinued operations - Long Term Care	(45,893)	(25,929)
Distributions to noncontrolling interests	(8,996)	(6,464)
Increase in net assets without donor restrictions	\$ (766,364)	\$ 578,871

Hackensack Meridian Health Network
Detail by Hospital Campus - Consolidating Statement of Operations
For the Nine Months Ended September 30, 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	\$ 1,486,342	\$ 136,764	\$ 500,236	\$ 136,552	\$ 868,420	\$ 336,308	\$ 101,591	\$ 104,234	\$ -	\$ 266,077	\$ 172,716	\$ 58,805	\$ -	\$ 4,168,045	\$ 500,637	\$ 4,668,682	\$ (15,743)	\$ 4,652,939
Other revenue	81,770	3,592	19,292	1,058	20,390	6,267	1,042	2,930	-	4,618	2,443	540	-	143,942	106,386	250,328	(20,960)	229,368
Net gain on equity investments	13,935	-	1,530	-	-	-	-	-	-	-	-	-	-	15,465	(16,043)	(578)	-	(578)
Net assets released from restriction used for operating activities	5,116	17	348	102	2,314	305	10	192	-	1,097	50	953	-	10,504	959	11,463	-	11,463
Total unrestricted revenues and other support	<u>1,587,163</u>	<u>140,373</u>	<u>521,406</u>	<u>137,712</u>	<u>891,124</u>	<u>342,880</u>	<u>102,643</u>	<u>107,356</u>	<u>-</u>	<u>271,792</u>	<u>175,209</u>	<u>60,298</u>	<u>-</u>	<u>4,337,956</u>	<u>591,939</u>	<u>4,929,895</u>	<u>(36,703)</u>	<u>4,893,192</u>
Expenses																		
Salaries and contracted labor	577,434	68,942	249,443	63,706	334,164	159,378	37,494	55,076	1,645	113,350	61,819	41,368	-	1,763,819	257,950	2,021,769	(1,754)	2,020,015
Physician salaries and fees	31,734	7,054	4,368	2,748	22,495	14,239	1,633	4,752	-	6,262	2,783	4,259	-	102,327	287,314	389,641	-	389,641
Employee Benefits	116,916	16,651	59,531	15,829	74,332	33,664	9,957	15,024	249	25,359	15,120	7,922	-	390,554	48,866	439,420	(14,371)	425,049
Supplies and other	714,161	46,322	209,408	47,584	325,036	135,087	31,837	39,171	169	100,223	67,866	11,461	-	1,730,325	219,599	1,949,924	(20,577)	1,929,347
Depreciation and amortization	61,147	5,228	24,925	6,562	37,125	13,779	3,390	3,835	247	12,026	6,106	2,586	-	176,956	23,192	200,148	-	200,148
Interest	25,407	1,493	4,539	2,150	13,064	4,091	1,424	1,278	-	2,935	1,732	-	-	58,113	3,330	61,443	-	61,443
Total expenses	<u>1,526,799</u>	<u>147,690</u>	<u>552,214</u>	<u>138,579</u>	<u>806,216</u>	<u>360,238</u>	<u>85,735</u>	<u>119,136</u>	<u>2,310</u>	<u>260,155</u>	<u>155,426</u>	<u>67,596</u>	<u>-</u>	<u>4,222,094</u>	<u>840,251</u>	<u>5,062,345</u>	<u>(36,702)</u>	<u>5,025,643</u>
Income from operations before other operating adjustments	60,364	(7,317)	(30,808)	(67)	84,908	(17,358)	16,908	(11,780)	(2,310)	11,637	19,783	(7,298)	-	115,862	(248,312)	(132,450)	(1)	(132,451)
Federal legislative relief CARES Act and other	479	-	51	-	-	-	-	-	-	-	-	22	-	552	44,319	44,871	-	44,871
Federal legislative relief- FEMA	26,465	2,081	9,847	2,608	17,724	7,916	1,227	2,850	-	5,912	3,243	645	-	80,518	26,972	107,490	-	107,490
Income from operations after other operating adjustments	<u>\$ 87,308</u>	<u>\$ (5,236)</u>	<u>\$ (20,910)</u>	<u>\$ 1,741</u>	<u>\$ 102,632</u>	<u>\$ (9,442)</u>	<u>\$ 18,135</u>	<u>\$ (6,930)</u>	<u>\$ (2,310)</u>	<u>\$ 17,549</u>	<u>\$ 23,026</u>	<u>\$ (6,631)</u>	<u>\$ -</u>	<u>\$ 196,932</u>	<u>\$ (177,021)</u>	<u>\$ 19,911</u>	<u>\$ (1)</u>	<u>\$ 19,910</u>