



Atrium Health Wake Forest Baptist Combined Group

Quarterly Disclosure Statements
(Unaudited)
For the Year Ended December 31, 2024

Investor Relations Contact:
Jenny Temple, VP Treasury and Assistant Treasurer
Email: jennifer.temple@atriumhealth.org

Atrium Health Wake Forest Baptist
TABLE OF CONTENTS

INTRODUCTION:	<u>2</u>
 FINANCIAL INFORMATION	
<u>Combined Balance Sheets</u>	<u>3</u>
<u>Combined Statements of Operations and Changes in Net Assets</u>	<u>4</u>
<u>Combined Statements of Cash Flows</u>	<u>6</u>
<u>Combining Balance Sheet</u>	<u>7</u>
<u>Combining Statement of Operations and Changes in Net Assets</u>	<u>8</u>
<u>Utilization Statistics</u>	<u>10</u>



ATRIUM HEALTH WAKE FOREST BAPTIST

Introduction

Atrium Health Wake Forest Baptist Combined Group

Atrium Health Wake Forest Baptist is an integrated clinical, research, and academic enterprise operated by Wake Forest University Baptist Medical Center, a North Carolina nonprofit corporation (“WFUBMC”), which is a joint operating company that was established by Wake Forest University, a North Carolina nonprofit corporation (“WFU”), and North Carolina Baptist Hospital, a North Carolina nonprofit corporation (“NCBH”). Wake Forest University Health Sciences (“WFUHS”) is a wholly-owned affiliate of WFU that owns all of the assets of and operates Wake Forest University School of Medicine and is part of Atrium Health Wake Forest Baptist.

WFUBMC, NCBH, and WFUHS are the members of the “Obligated Group” (the “WFB Obligated Group”) created under a Master Trust Indenture, dated as of March 1, 2010 (as supplemented and amended, the “WFB Master Indenture”), between NCBH and The Bank of New York Mellon Trust Company, N.A., as master trustee. The members of the WFB Obligated Group are jointly and severally liable on any “Obligations” issued under the WFB Master Indenture. The WFB Master Indenture authorizes the creation of a “Combined Group” (the “WFB Combined Group”), which consists of the members of the WFB Obligated Group and all “Designated Members.” Wake Forest University is not a member of the WFB Obligated Group or a part of Wake Forest Baptist and is not directly or indirectly obligated to pay amounts due with respect to Obligations issued under the WFB Master Indenture.

Basis of Presentation

The accompanying combined financial statements reflect the financial position and results of operations of Atrium Health Wake Forest Baptist as of and for the years ended December 31, 2024 and 2023. These financial statements have been prepared in accordance with U.S. generally accepted accounting principles, as promulgated by the Financial Accounting Standards Board (“FASB”).

ATRIUM HEALTH WAKE FOREST BAPTIST
COMBINED BALANCE SHEETS
(in thousands)

	(Unaudited)	(Audited)
	December 31, 2024	December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	\$ 482,279	\$ 443,244
Patient accounts receivable	481,037	480,560
Other current assets	376,309	314,603
Total current assets	1,339,625	1,238,407
Other assets		
Assets limited as to use	2,274,755	2,112,309
Property and equipment, net	1,579,837	1,318,795
Operating lease right-of-use assets	154,937	171,857
Other noncurrent assets	194,976	206,757
Total other assets	4,204,505	3,809,718
Total assets	\$ 5,544,130	\$ 5,048,125
Liabilities		
Current liabilities		
Long-term debt, current portion	\$ 232,066	\$ 53,201
Operating lease liabilities, current portion	42,600	41,506
Accrued salaries and employee benefits	369,958	444,133
Accounts payable and other accrued liabilities	378,271	337,554
Third-party payors payables	72,727	105,590
Total current liabilities	1,095,622	981,984
Noncurrent liabilities		
Long-term debt, less current portion	781,792	815,626
Operating lease liabilities, less current portion	118,278	137,401
Obligations under swap agreements	638	1,058
Other noncurrent liabilities	353,327	231,575
Total noncurrent liabilities	1,254,035	1,185,660
Total liabilities	2,349,657	2,167,644
Net assets		
Without donor restrictions		
Controlling interest	2,661,947	2,403,236
Noncontrolling interests in subsidiaries	9,384	10,742
Total net assets without donor restrictions	2,671,331	2,413,978
With donor restrictions	523,142	466,503
Total net assets	3,194,473	2,880,481
Total liabilities and net assets	\$ 5,544,130	\$ 5,048,125

ATRIUM HEALTH WAKE FOREST BAPTIST
COMBINED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
(in thousands)

	(Unaudited)	(Audited)
	Year Ended December 31, 2024	Year Ended December 31, 2023
Revenue		
Patient service revenue	\$ 4,167,639	\$ 4,036,905
Other revenue	1,192,113	1,011,589
Total revenue	<u>5,359,752</u>	<u>5,048,494</u>
Expenses		
Salaries, wages and benefits	2,932,703	2,812,983
Supplies and drugs	1,341,359	1,181,891
Purchased services and other expenses	801,155	716,608
Depreciation and amortization	143,915	155,750
Interest	31,160	33,560
Total expenses	<u>5,250,292</u>	<u>4,900,792</u>
Operating income	109,460	147,702
Nonoperating income		
Investment income, net	131,049	105,979
Other nonoperating loss, net	(2,038)	(14,973)
Total nonoperating income, net	<u>129,011</u>	<u>91,006</u>
Revenue in excess of expenses	238,471	238,708
Less loss (income) attributable to noncontrolling interests	<u>1,358</u>	<u>(315)</u>
Revenue in excess of expenses - attributable to controlling interest	\$ 239,829	\$ 238,393

ATRIUM HEALTH WAKE FOREST BAPTIST
COMBINED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
(in thousands)

	<u>(Unaudited)</u>	<u>(Audited)</u>
	<u>Year Ended</u> <u>December 31, 2024</u>	<u>Year Ended</u> <u>December 31, 2023</u>
Net assets without donor restrictions, controlling interest		
Revenue in excess of expenses - attributable to controlling interest	\$ 239,829	\$ 238,393
Pension-related changes other than net periodic pension costs	20,882	7,522
Other, net	<u>(2,000)</u>	<u>(2,000)</u>
Increase in net assets without donor restrictions, controlling interest	258,711	243,915
Net assets without donor restrictions, noncontrolling interests		
Revenues (less than) in excess of expenses - attributable to noncontrolling interests	<u>(1,358)</u>	315
(Decrease) increase in net assets without donor restrictions, noncontrolling interests	(1,358)	315
Net assets with donor restrictions		
Contributions	127,586	123,896
Investment income, net	14,456	5,947
Net assets released from restrictions	(92,198)	(63,799)
Other, net	<u>6,795</u>	<u>8,980</u>
Increase in net assets with donor restrictions	56,639	75,024
Increase in net assets	313,992	319,254
Net assets at beginning of period	<u>2,880,481</u>	<u>2,561,227</u>
Net assets at end of period	<u>\$ 3,194,473</u>	<u>\$ 2,880,481</u>

**ATRIUM HEALTH WAKE FOREST BAPTIST
COMBINED STATEMENTS OF CASH FLOWS**
(in thousands)

	(Unaudited)	(Audited)
	Year Ended December 31, 2024	Year Ended December 31, 2023
Cash flows from operating activities		
Increase in net assets	\$ 313,992	\$ 319,254
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	142,811	154,646
Amortization of operating lease right-of-use assets, net	42,398	41,582
Pension-related changes other than net periodic pension cost	(20,882)	(7,522)
Other	(20,745)	(7,054)
Changes in operating assets and liabilities		
Trading securities, net	(154,886)	(77,642)
Patient accounts receivable	(477)	(86,820)
Third-party payors receivables and payables, net	(32,863)	64,865
Other assets and liabilities, net	6,632	9,262
Net cash provided by operating activities	<u>275,980</u>	<u>410,571</u>
Cash flows from investing activities		
Purchases of property and equipment	(395,855)	(200,063)
Other	10	163
Net cash used in investing activities	<u>(395,845)</u>	<u>(199,900)</u>
Cash flows from financing activities		
Repayments of long-term debt, net	(134,665)	(151,730)
Proceeds from issuance of long-term debt	280,800	80,800
Proceeds from restricted contributions and income on investments	20,325	6,931
Net cash provided by (used in) financing activities	<u>166,460</u>	<u>(63,999)</u>
Net increase in cash and cash equivalents	46,595	146,672
Cash and cash equivalents at beginning of year	470,174	323,502
Cash and cash equivalents at end of year	<u><u>\$ 516,769</u></u>	<u><u>\$ 470,174</u></u>
Reconciliation of cash and cash equivalents to the balance sheet		
Cash and cash equivalents	482,279	443,244
Restricted cash in assets limited as to use	34,490	26,930
	<u><u>\$ 516,769</u></u>	<u><u>\$ 470,174</u></u>

ATRIUM HEALTH WAKE FOREST BAPTIST
COMBINING BALANCE SHEET INFORMATION (Unaudited)
(in thousands)

	December 31, 2024			
	Atrium Health Wake Forest Baptist	Atrium Health Wake Forest Baptist Non- Combined Group	Eliminations	Atrium Health Wake Forest Baptist Combined Group
Assets				
Current assets				
Cash and cash equivalents	\$ 482,279	\$ (31,083)	\$ —	\$ 451,196
Patient accounts receivable	481,037	(24,886)	—	456,151
Other current assets	376,309	(42,826)	—	333,483
Total current assets	<u>1,339,625</u>	<u>(98,795)</u>	<u>—</u>	<u>1,240,830</u>
Other assets				
Assets limited as to use	2,274,755	(127,238)	—	2,147,517
Property and equipment, net	1,579,837	(106,042)	—	1,473,795
Operating lease right-of-use assets	154,937	(52,018)	—	102,919
Other noncurrent assets	194,976	(85,528)	(73,165)	36,283
Total other assets	<u>4,204,505</u>	<u>(370,826)</u>	<u>(73,165)</u>	<u>3,760,514</u>
Total assets	<u>\$ 5,544,130</u>	<u>\$ (469,621)</u>	<u>\$ (73,165)</u>	<u>\$ 5,001,344</u>
Liabilities				
Current liabilities				
Long-term debt, current portion	\$ 232,066	\$ (949)	\$ —	\$ 231,117
Operating lease liabilities, current portion	42,600	(11,687)	—	30,913
Accrued salaries and employee benefits	369,958	(14,061)	—	355,897
Accounts payable and other accrued liabilities	378,271	(249,024)	—	129,247
Third-party payors payables	72,727	(19,253)	—	53,474
Total current liabilities	<u>1,095,622</u>	<u>(294,974)</u>	<u>—</u>	<u>800,648</u>
Noncurrent liabilities				
Long-term debt, less current portion	781,792	(21,381)	—	760,411
Operating lease liabilities, less current portion	118,278	(41,724)	—	76,554
Obligations under swap agreements	638	—	—	638
Other noncurrent liabilities	353,327	(697)	—	352,630
Total noncurrent liabilities	<u>1,254,035</u>	<u>(63,802)</u>	<u>—</u>	<u>1,190,233</u>
Total liabilities	2,349,657	(358,776)	—	1,990,881
Net assets				
Without donor restrictions				
Controlling interest	2,661,947	(110,797)	(63,781)	2,487,369
Noncontrolling interests in subsidiaries	9,384	—	(9,384)	—
Total net assets without donor restrictions	<u>2,671,331</u>	<u>(110,797)</u>	<u>(73,165)</u>	<u>2,487,369</u>
With donor restrictions	<u>523,142</u>	<u>(48)</u>	<u>—</u>	<u>523,094</u>
Total net assets	<u>3,194,473</u>	<u>(110,845)</u>	<u>(73,165)</u>	<u>3,010,463</u>
Total liabilities and net assets	<u>\$ 5,544,130</u>	<u>\$ (469,621)</u>	<u>\$ (73,165)</u>	<u>\$ 5,001,344</u>

ATRIUM HEALTH WAKE FOREST BAPTIST
COMBINING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS (Unaudited)
(in thousands)

	Year Ended December 31, 2024			
	Atrium Health Wake Forest Baptist	Atrium Health Wake Forest Baptist Non- Combined Group	Eliminations	Atrium Health Wake Forest Baptist Combined Group
Revenue				
Patient service revenue	\$ 4,167,639	\$ (293,502)	\$ —	\$ 3,874,137
Other revenue	1,192,113	(36,860)	439	1,155,692
Total revenue	5,359,752	(330,362)	439	5,029,829
Expenses				
Salaries, wages and benefits	2,932,703	(212,345)	—	2,720,358
Supplies and drugs	1,341,359	(64,182)	—	1,277,177
Purchased services and other expenses	801,155	(74,695)	—	726,460
Depreciation and amortization	143,915	(17,373)	439	126,981
Interest	31,160	(914)	—	30,246
Total expenses	5,250,292	(369,509)	439	4,881,222
Operating income	109,460	39,147	—	148,607
Nonoperating income (loss)				
Investment income (loss), net	131,049	(13,442)	—	117,607
Other nonoperating (loss) income, net	(2,038)	2,402	(57,861)	(57,497)
Total nonoperating income (loss), net	129,011	(11,040)	(57,861)	60,110
Revenue in excess of (less than) expenses	238,471	28,107	(57,861)	208,717
Less loss (income) attributable to noncontrolling interests	1,358	—	(493)	865
Revenue in excess of (less than) expenses - attributable to controlling interest	\$ 239,829	\$ 28,107	\$ (58,354)	\$ 209,582

(Continued)

ATRIUM HEALTH WAKE FOREST BAPTIST
COMBINING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS (Unaudited)
(in thousands)

	Year Ended December 31, 2024			
	Atrium Health Wake Forest Baptist	Atrium Health Wake Forest Baptist Non- Combined Group	Eliminations	Atrium Health Wake Forest Baptist Combined Group
Net assets without donor restrictions, controlling interest				
Revenue in excess of (less than) expenses - attributable to controlling interest	\$ 239,829	\$ 28,107	\$ (58,354)	\$ 209,582
Pension-related changes other than net periodic pension costs	20,882	(952)	—	19,930
Other, net	(2,000)	—	—	(2,000)
Increase (decrease) in net assets without donor restrictions, controlling interest	258,711	27,155	(58,354)	227,512
Net assets without donor restrictions, noncontrolling interests				
Revenues (less than) in excess of expenses - attributable to noncontrolling interests	(1,358)	—	493	(865)
(Decrease) increase in net assets without donor restrictions, noncontrolling interests	(1,358)	—	493	(865)
Net assets with donor restrictions				
Contributions	127,586	(181)	—	127,405
Investment income, net	14,456	—	—	14,456
Net assets released from restrictions	(92,198)	145	—	(92,053)
Other, net	6,795	—	—	6,795
Increase (decrease) in net assets with donor restrictions	56,639	(36)	—	56,603
Increase (decrease) in net assets	313,992	27,119	(57,861)	283,250
Net assets at beginning of period	2,880,481	(137,964)	(15,304)	2,727,213
Net assets at end of period	\$ 3,194,473	\$ (110,845)	\$ (73,165)	\$ 3,010,463

**ATRIUM HEALTH WAKE FOREST BAPTIST COMBINED GROUP
UTILIZATION STATISTICS**

	Year Ended December 31, 2024	Year Ended December 31, 2023	Change	% Change
Case Mix Adjusted Equivalent Discharges	324,412	313,662	10,750	3.4 %
Patient Days	355,712	346,186	9,526	2.8 %
Inpatient Admissions	68,041	64,750	3,291	5.1 %
Average Length of Stay	5.73	5.35	0.38	7.1 %
Average Length of Stay (Case Mix Adjusted)	2.81	2.76	0.05	1.8 %
Inpatient Operating Room Cases	19,439	18,972	467	2.5 %
Outpatient Operating Room Cases	44,432	44,197	235	0.5 %
Total Operating Room Cases	63,871	63,169	702	1.1 %
Emergency Department Visits	216,826	219,383	(2,557)	(1.2)%
Case Mix Index (all payors using Medicare weights)	1.8591	1.9347	(0.0756)	(3.9)%
RVUs	11,062,428	10,145,187	917,241	9.0 %
Outpatient Visit	2,123,697	2,060,312	63,385	3.1 %