



## QUARTERLY DISCLOSURE STATEMENT (UNAUDITED)

For the Period Ended December 31, 2021

This quarterly statement is being filed in accordance with the disclosure and compliance obligation related to the issuance of the series listed below.

Issuer	Bonds	Series
North Carolina Medical Care Commission	Health Care Facilities Revenue Bonds (Fixed)	2012A
	Health Care Facilities Revenue Refunding Bonds (Fixed)	2012B
	Health Care Facilities Revenue Bonds (DP)	2012D
	Health Care Facilities Revenue Bonds (Fixed)	2019A
	Health Care Facilities Revenue Bonds (Put)	2019B
	Health Care Facilities Revenue Bonds (Put)	2019C
Wake Forest University Baptist Medical Center	Taxable Bonds (Fixed)	2016
Public Finance Authority	Revenue Refunding Bonds (DP)	2020

**QUARTERLY DISCLOSURE**  
**December 31, 2021**

The following statistics reflect activity for the twelve months ended December 31, 2021, for the **Combined Group** of Wake Forest Baptist (i.e., Obligated Group Members and Designated Members) and do not include the activity of non-designated members such as Atrium Health Wake Forest Baptist Wilkes Medical Center, and Wake Forest Health Network, LLC (the entity formerly known as Cornerstone Healthcare, LLC). A breakout of the Combined Group balance sheet and income statement can be found on pages FS-5 through FS-7 of the attached financial statements.

**UTILIZATION STATISTICS – COMBINED GROUP**

---

	<b>Twelve Months Ended</b>		<b>% Chg from Prior Year</b>
	<u>12/31/2021</u>	<u>12/31/2020</u>	
Case Mix Adjusted Equivalent Discharges	288,324	263,977	9.2%
Patient Days	328,294	320,244	2.5%
Inpatient Admissions	60,133	60,264	-0.2%
Average Length of Stay	5.46	5.31	2.7%
Average Length of Stay (Case Mix Adjusted)	2.74	2.74	-0.1%
Inpatient Operating Room Cases	18,728	19,608	-4.5%
Outpatient Operating Room Cases	41,301	33,217	24.3%
Total Operating Room Cases	60,029	52,825	13.6%
Emergency Department Visits	197,101	173,471	13.6%
Case Mix Index (all payors using Medicare weights)	1.9925	1.9367	2.9%
RVUs	7,963,976	7,267,501	9.6%
Outpatient Visits	1,885,132	1,686,925	11.7%

***The Charlotte-Mecklenburg Hospital Authority (doing business as Atrium Health) is not a Member of the Obligated Group under the Wake Forest Baptist Obligated Group's Master Indenture and does not have any liability or obligation for the payment of debt service on the outstanding bonds.***



# WAKE FOREST BAPTIST

---

**Combined Financial Statements for  
North Carolina Baptist Hospital and Affiliates,  
Wake Forest University Health Sciences and Affiliates, and  
Wake Forest University Baptist Medical Center and Affiliates**

**For the Year Ended December 31, 2021  
(Unaudited)**

**WAKE FOREST BAPTIST**  
**Combined Financial Statements**  
**Year Ended December 31, 2021**  
**(Unaudited)**

**Table of Contents**

**Combined Financial Statements**

Combined Balance Sheets .....	FS-1
Combined Statements of Operations and Changes in Net Assets .....	FS-2
Combined Statements of Cash Flows .....	FS-4

**Other Financial Information**

Combining Balance Sheet Information .....	FS-5
Combining Statement of Operations and Changes in Net Assets Information .....	FS-6

**WAKE FOREST BAPTIST**

## Combined Balance Sheets

*Dollars in thousands.*

	<b>(Unaudited) December 31, 2021</b>	<b>(Unaudited) December 31, 2020</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 332,500	\$ 544,802
Patient receivables	357,037	330,235
Accounts, grants, and notes receivable, net	168,937	259,431
Other current assets	111,089	120,886
Total current assets	969,563	1,255,354
Accounts, grants, and notes receivable, net, long-term	67,688	81,780
Investments and assets whose use is limited	2,448,262	1,821,560
Property and equipment, net	1,284,201	1,294,414
Operating lease right-of-use assets, net	196,476	235,757
Goodwill	94,025	94,025
Other assets	24,218	13,573
Total assets	<u>\$ 5,084,433</u>	<u>\$ 4,796,463</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accruals	\$ 184,957	\$ 135,937
Accrued employee compensation	365,586	273,221
Amounts due to third-party payers, net	75,810	61,646
Deferred revenue	164,667	131,907
Current portion of long-term debt	53,044	66,412
Current portion of operating lease liabilities	40,833	41,732
Other current liabilities	87,891	69,560
Total current liabilities	972,788	780,415
Notes payable, finance leases, and line of credit, net of current portion	88,557	96,703
Bonds payable, net of current portion	833,045	857,369
Operating lease liabilities, net of current portion	162,934	201,172
Retirement benefits	96,260	131,724
Deferred revenue, net of current portion	-	114,270
Other long-term liabilities	126,781	90,041
Total liabilities	<u>2,280,365</u>	<u>2,271,694</u>
Net assets:		
Without donor restrictions:		
Wake Forest Baptist	2,392,815	1,989,910
Noncontrolling interest in affiliates	9,806	9,466
Total net assets without donor restrictions	<u>2,402,621</u>	<u>1,999,376</u>
With donor restrictions	<u>401,447</u>	<u>525,393</u>
Total net assets	<u>2,804,068</u>	<u>2,524,769</u>
Total liabilities and net assets	<u>\$ 5,084,433</u>	<u>\$ 4,796,463</u>

See accompanying notes to combined financial statements.

FS-1

**WAKE FOREST BAPTIST**

## Combined Statements of Operations and Changes in Net Assets (Unaudited)

*Dollars in thousands.*

	<b>Year Ended December 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>Changes in net assets without donor restrictions:</b>		
<b>Operating revenues and support</b>		
Patient service revenue	\$ 3,228,061	\$ 2,833,918
Gifts, grants, and contracts	244,330	347,130
Net student tuition and fees	43,618	42,302
Investment return designated for current operations	32,523	25,456
Other sources	492,503	401,293
Net assets released from restrictions	37,672	45,040
	<u>4,078,707</u>	<u>3,695,139</u>
<b>Operating expenses</b>		
Salaries and wages	1,997,174	1,741,720
Employee benefits	419,889	355,566
Purchased services	149,472	144,439
Clinical and laboratory supplies	977,563	851,006
Other operating expenses	349,536	353,765
Depreciation	143,903	154,033
Financing costs	30,023	29,098
	<u>4,067,560</u>	<u>3,629,627</u>
Operating excess of revenues and support over expenses and losses	11,147	65,512
<b>Nonoperating gains (losses)</b>		
Gains from equity-method affiliates	12,043	11,105
Net investment gains	169,651	123,771
Net assets released from restrictions	150,000	-
Net gains (losses) on interest rate swap valuation	1,208	(859)
Contribution from business combination	10,709	-
Pension and postretirement costs	(4,945)	(11,161)
Other	12,657	(674)
	<u>362,470</u>	<u>187,694</u>
Excess of revenues and support over expenses and losses before noncontrolling interest	<u>\$ 362,470</u>	<u>\$ 187,694</u>

**WAKE FOREST BAPTIST**

## Combined Statements of Operations and Changes in Net Assets (Unaudited), continued

*Dollars in thousands.*

	<b>Year Ended December 31,</b>	
	<b>2021</b>	<b>2020</b>
Excess of revenues and support over expenses and losses before noncontrolling interest	\$ 362,470	\$ 187,694
Noncontrolling interest	(340)	1,319
Excess of revenues and support over expenses and losses attributable to Wake Forest Baptist	362,130	189,013
Pension and other postretirement net adjustments	40,775	754
Other	-	(648)
Change in net assets without donor restrictions attributable to Wake Forest Baptist	402,905	189,119
<b>Changes in net assets with donor restrictions:</b>		
Contributions	26,131	249,048
Investment return in excess of amounts designated for current operations	8,533	8,620
Net assets released from restrictions	(187,672)	(45,040)
Net investment gains	32,115	5,662
Actuarial gains on annuity obligations	-	170
Other	(3,053)	(563)
Change in net assets with donor restrictions attributable to Wake Forest Baptist	(123,946)	217,897
Change in total net assets attributable to Wake Forest Baptist	278,959	407,016
Net assets attributable to Wake Forest Baptist at beginning of year	2,515,303	2,108,287
Net assets attributable to Wake Forest Baptist at end of year	2,794,262	2,515,303
Change in net assets attributable to noncontrolling interest	340	(1,319)
Net assets attributable to noncontrolling interest at beginning of year	9,466	10,785
Total net assets at end of year	\$ 2,804,068	\$ 2,524,769

See accompanying notes to combined financial statements.

FS-3

**WAKE FOREST BAPTIST**

## Combined Statements of Cash Flows (Unaudited)

*Dollars in thousands.*

	Year Ended December 31,	
	2021	2020
<b>Operating activities and gains and losses</b>		
Change in net assets	\$ 279,299	\$ 405,697
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	143,903	154,033
Amortization of bond premium	(1,073)	(6,524)
Amortization of operating lease right-of-use assets	35,241	40,563
Gains from equity-method affiliates	(12,043)	(11,105)
Net investment gains	(242,822)	(163,509)
Contribution from business combination	(10,709)	-
(Gains) losses in value of interest rate swaps, net	(1,208)	859
(Gains) losses on disposal of property and equipment	(13,383)	6,812
Contributions restricted for long-term investing	(8,494)	(6,886)
Changes in operating assets and liabilities:		
Patient receivables, net	(26,802)	49,926
Accounts, grants, and notes receivable, net	104,586	(200,705)
Other current assets	9,797	(12,365)
Operating lease right-of-use assets, net	4,040	(31,528)
Other assets	(10,645)	10,485
Accounts payable and accruals	49,020	31,775
Accrued employee compensation	92,365	57,387
Amounts due to third-party payers, net	14,164	24,327
Deferred revenue	(81,510)	191,028
Other current liabilities	18,328	5,988
Operating lease liabilities	(39,137)	(10,519)
Retirement benefits	(35,464)	983
Other long-term liabilities	59,248	(7,789)
Net cash provided by operating activities	<u>326,701</u>	<u>528,933</u>
<b>Investing activities</b>		
Net sales and purchases of investments	(368,336)	(29,712)
Acquisitions, net of cash acquired	(19,926)	(21,300)
Net additions to property and equipment	<u>(117,648)</u>	<u>(90,542)</u>
Net cash used in investing activities	<u>(505,910)</u>	<u>(141,554)</u>
<b>Financing activities</b>		
Proceeds from issuance of debt	-	607
Principal payments on debt	(43,889)	(28,135)
Payments on finance lease obligations	(3,532)	(2,684)
Contributions restricted for long-term investing	<u>8,494</u>	<u>6,886</u>
Net cash used in financing activities	<u>(38,927)</u>	<u>(23,326)</u>
(Decrease) increase in cash, cash equivalents and restricted cash	(218,136)	364,053
Cash, cash equivalents and restricted cash at beginning of year	<u>555,907</u>	<u>191,854</u>
Cash, cash equivalents and restricted cash at end of year	<u>\$ 337,771</u>	<u>\$ 555,907</u>
Cash and cash equivalents	\$ 332,500	\$ 544,802
Restricted cash in investments and assets whose use is limited	<u>5,271</u>	<u>11,105</u>
Total cash, cash equivalents and restricted cash	<u>\$ 337,771</u>	<u>\$ 555,907</u>



# WAKE FOREST BAPTIST

## Combining Balance Sheet Information (Unaudited)

December 31, 2021

Dollars in thousands.

	NCBH	WFUHS	WFUBMC	Other Subs and Affiliates	Eliminations	Total WFB	Non- Designated Entities	Eliminations	Total Combined Group <sup>(1)</sup>
<b>Assets</b>									
Current assets:									
Cash and cash equivalents	\$ 58,582	\$ 11,431	\$ 258,678	\$ 3,809	\$ -	\$ 332,500	\$ (69,541)	\$ -	\$ 262,959
Patient receivables	195,154	76,506	83,005	2,372	-	357,037	(20,480)	-	336,557
Accounts, grants, and notes receivable, net	236,599	245,758	201,821	10,993	(526,234)	168,937	107,400	(39,885)	236,452
Other current assets	83,448	11,448	16,043	150	-	111,089	(5,561)	-	105,528
Total current assets	573,783	345,143	559,547	17,324	(526,234)	969,563	11,818	(39,885)	941,496
Accounts, grants, and notes receivable, net, long-term	8	17,494	50,186	-	-	67,688	-	-	67,688
Investments and assets whose use is limited	1,337,146	1,261,088	333,936	144	(484,052)	2,448,262	(83,894)	25,035	2,389,403
Property and equipment, net	583,160	364,873	326,324	9,844	-	1,284,201	(79,702)	-	1,204,499
Operating lease right-of-use assets, net	21,203	143,057	116,816	-	(84,600)	196,476	(38,271)	-	158,205
Goodwill	36,105	1,505	56,415	-	-	94,025	(92,101)	-	1,924
Other assets	10,325	13,195	698	-	-	24,218	(364)	-	23,854
Total assets	\$ 2,561,730	\$ 2,146,355	\$ 1,443,922	\$ 27,312	\$ (1,094,886)	\$ 5,084,433	\$ (282,514)	\$ (14,850)	\$ 4,787,069
<b>Liabilities and Net Assets</b>									
Current liabilities:									
Accounts payable and accruals	\$ 67,372	\$ 169,981	\$ 464,664	\$ 5,725	\$ (522,785)	\$ 184,957	\$ (4,102)	\$ (39,885)	\$ 140,970
Accrued employee compensation	85,113	219,235	60,853	385	-	365,586	(12,577)	-	353,009
Amounts due to third-party payers, net	75,810	-	-	-	-	75,810	1,427	-	77,237
Deferred revenue	86,602	67,461	20,184	95	(9,675)	164,667	(1,057)	-	163,610
Current portion of long-term debt	19,806	11,645	20,434	1,159	-	53,044	(1,363)	-	51,681
Current portion of operating lease liabilities	4,944	23,279	17,185	-	(4,575)	40,833	(11,569)	-	29,264
Other current liabilities	30,339	52,476	4,558	18	500	87,891	(2,946)	-	84,945
Total current liabilities	369,986	544,077	587,878	7,382	(536,535)	972,788	(32,187)	(39,885)	900,716
Notes payable, finance leases, and line of credit, net of current portion	16,624	42,530	25,919	3,484	-	88,557	(24,688)	-	63,869
Bonds payable, net of current portion	471,829	120,519	240,697	-	-	833,045	-	-	833,045
Operating lease liabilities, net of current portion	15,903	124,743	92,638	-	(70,350)	162,934	(27,732)	-	135,202
Retirement benefits	72,294	23,253	713	-	-	96,260	(713)	-	95,547
Other long-term liabilities	46,916	68,449	15,316	49	(3,949)	126,781	(6,170)	-	120,611
Total liabilities	993,552	923,571	963,161	10,915	(610,834)	2,280,365	(91,490)	(39,885)	2,148,990
Net assets:									
Without donor restrictions:									
Wake Forest Baptist	1,536,498	924,086	387,703	16,465	(471,937)	2,392,815	(190,002)	33,958	2,236,771
Noncontrolling interest in affiliates	21,038	883	-	-	(12,115)	9,806	-	(8,923)	883
Total net assets without donor restrictions	1,557,536	924,969	387,703	16,465	(484,052)	2,402,621	(190,002)	25,035	2,237,654
With donor restrictions	10,642	297,815	93,058	(68)	-	401,447	(1,022)	-	400,425
Total net assets	1,568,178	1,222,784	480,761	16,397	(484,052)	2,804,068	(191,024)	25,035	2,638,079
Total liabilities and net assets	\$ 2,561,730	\$ 2,146,355	\$ 1,443,922	\$ 27,312	\$ (1,094,886)	\$ 5,084,433	\$ (282,514)	\$ (14,850)	\$ 4,787,069

<sup>(1)</sup> Represents only those WFB entities that are Obligated Group members or Designated Members under the MTI.

# WAKE FOREST BAPTIST

## Combining Statement of Operations and Changes in Net Assets Information (Unaudited)

Year Ended December 31, 2021

Dollars in thousands.

	NCBH	WFUHS	WFUBMC	Other Subs and Affiliates	Eliminations	Total WFB	Non- Designated Entities	Eliminations	Total Combined Group <sup>(1)</sup>
<b>Changes in net assets without donor restrictions:</b>									
<b>Operating revenues and support:</b>									
Patient service revenue	\$ 1,706,567	\$ 708,602	\$ 794,147	\$ 18,745	\$ -	\$ 3,228,061	\$ (220,919)	\$ -	\$ 3,007,142
Gifts, grants, and contracts	21,224	212,890	10,343	1	(128)	244,330	(9,649)	-	234,681
Net student tuition and fees	1,885	41,733	-	-	-	43,618	-	-	43,618
Investment return designated for current operations	1,462	29,413	1,328	320	-	32,523	(1,690)	-	30,833
Other sources	432,573	285,213	36,395	198	(261,876)	492,503	(51,516)	-	440,987
Net assets released from restrictions	407	35,717	1,548	-	-	37,672	(21)	-	37,651
Total operating revenues and support	2,164,118	1,313,568	843,761	19,264	(262,004)	4,078,707	(283,795)	-	3,794,912
<b>Operating expenses:</b>									
Salaries and wages	790,707	851,932	345,546	4,542	4,447	1,997,174	(138,780)	-	1,858,394
Employee benefits	181,725	161,867	74,237	909	1,151	419,889	(28,703)	-	391,186
Purchased services	319,068	43,351	38,233	3,782	(254,962)	149,472	(11,597)	-	137,875
Clinical and laboratory supplies	690,495	120,158	165,618	1,292	-	977,563	(35,066)	-	942,497
Other operating expenses	124,315	130,787	103,624	3,450	(12,640)	349,536	(67,505)	-	282,031
Depreciation	81,841	35,199	25,588	1,275	-	143,903	(5,500)	-	138,403
Financing costs	13,136	7,443	9,345	99	-	30,023	(975)	-	29,048
Total operating expenses	2,201,287	1,350,737	762,191	15,349	(262,004)	4,067,560	(288,126)	-	3,779,434
Operating excess (deficiency) of revenues and support over expenses and losses	(37,169)	(37,169)	81,570	3,915	-	11,147	4,331	-	15,478
<b>Nonoperating gains (losses)</b>									
Gains from equity-method affiliates	50,905	53,722	4,476	-	(97,060)	12,043	(163)	(9,982)	1,898
Net investment gains	92,850	71,073	4,869	859	-	169,651	(3,932)	-	165,719
Net assets released from restrictions	-	150,000	-	-	-	150,000	-	-	150,000
Net gains on interest rate swap valuation	-	1,208	-	-	-	1,208	-	-	1,208
Contribution from business combination	-	-	10,709	-	-	10,709	(10,709)	-	-
Pension and postretirement costs	(7,618)	1,894	779	-	-	(4,945)	(779)	-	(5,724)
Other	13,522	(46)	(33)	(3,146)	2,360	12,657	(10,690)	(2,360)	(393)
Excess of revenues and support over expenses and losses before noncontrolling interest	112,490	240,682	102,370	1,628	(94,700)	362,470	(21,942)	(12,342)	328,186

<sup>(1)</sup> Represents only those WFB entities that are Obligated Group members or Designated Members under the MTI.

# WAKE FOREST BAPTIST

## Combining Statement of Operations and Changes in Net Assets Information (Unaudited), continued

Year Ended December 31, 2021

Dollars in thousands.

	NCBH	WFUHS	WFUBMC	Other Subs and Affiliates	Eliminations	Total WFB	Non- Designated Entities	Eliminations	Total Combined Group <sup>(1)</sup>
Excess of revenues and support over expenses and losses before noncontrolling interest	\$ 112,490	\$ 240,682	\$ 102,370	\$ 1,628	\$ (94,700)	\$ 362,470	\$ (21,942)	\$ (12,342)	\$ 328,186
Noncontrolling interest	(237)	(201)	(43)	-	141	(340)	-	96	(244)
Excess of revenues and support over expenses and losses attributable to WFB	112,253	240,481	102,327	1,628	(94,559)	362,130	(21,942)	(12,246)	327,942
Pension and postretirement net adjustments	37,831	968	1,976	-	-	40,775	(1,976)	-	38,799
Change in net assets without donor restrictions	150,084	241,449	104,303	1,628	(94,559)	402,905	(23,918)	(12,246)	366,741
<b>Changes in net assets with donor restrictions:</b>									
Contributions	960	23,746	1,403	22	-	26,131	(441)	-	25,690
Investment return in excess of amounts designated for current operations	242	8,290	-	1	-	8,533	(1)	-	8,532
Net assets released from restrictions	(407)	(185,717)	(1,548)	-	-	(187,672)	21	-	(187,651)
Net investment gains	274	31,835	-	6	-	32,115	(6)	-	32,109
Other	(53)	7,114	(10,017)	(97)	-	(3,053)	97	-	(2,956)
Change in net assets with donor restrictions	1,016	(114,732)	(10,162)	(68)	-	(123,946)	(330)	-	(124,276)
Change in net assets attributable to WFB	151,100	126,717	94,141	1,560	(94,559)	278,959	(24,248)	(12,246)	242,465
Net assets attributable to WFB at beginning of year	1,396,040	1,095,184	386,620	14,837	(377,378)	2,515,303	(166,776)	46,204	2,394,731
Net assets attributable to WFB at end of year	1,547,140	1,221,901	480,761	16,397	(471,937)	2,794,262	(191,024)	33,958	2,637,196
Change in net assets attributable to noncontrolling interest	237	201	43	-	(141)	340	-	(96)	244
Net assets attributable to noncontrolling interest at beginning of year	20,801	682	(43)	-	(11,974)	9,466	-	(8,827)	639
Total net assets at end of year	\$ 1,568,178	\$ 1,222,784	\$ 480,761	\$ 16,397	\$ (484,052)	\$ 2,804,068	\$ (191,024)	\$ 25,035	\$ 2,638,079

<sup>(1)</sup> Represents only those WFB entities that are Obligated Group members or Designated Members under the MTI.