



QUARTERLY DISCLOSURE STATEMENT (UNAUDITED)

For the Period Ended March 31, 2022

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
March 31, 2022

The following statistics reflect activity for the three months ended March 31, 2022, 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

	Three Months Ended		% Chg from Prior Year
	<u>3/31/2022</u>	<u>3/31/2021</u>	
Case Mix Adjusted Equivalent Discharges	69,423	68,466	1.4%
Patient Days	81,915	82,669	-0.9%
Inpatient Admissions	14,189	14,926	-4.9%
Average Length of Stay	5.77	5.54	4.2%
Average Length of Stay (Case Mix Adjusted)	2.87	2.79	2.7%
Inpatient Operating Room Cases	4,232	4,676	-9.5%
Outpatient Operating Room Cases	10,344	9,501	8.9%
Total Operating Room Cases	14,576	14,177	2.8%
Emergency Department Visits	46,831	43,198	8.4%
Case Mix Index (all payors using Medicare weights)	2.0115	1.9819	1.5%
RVUs	2,016,744	1,922,316	4.9%
Outpatient Visits	476,757	457,648	4.2%

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.



ATRIUM HEALTH 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 Period Ended March 31, 2022
(Unaudited)**

ATRIUM HEALTH WAKE FOREST BAPTIST

Combined Financial Statements

Period Ended March 31, 2022

(Unaudited)

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ATRIUM HEALTH WAKE FOREST BAPTIST

Combined Balance Sheets

Dollars in thousands.

	(Unaudited) March 31, 2022	(Audited) December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 235,503	\$ 332,481
Patient receivables	376,537	357,037
Accounts, grants, and notes receivable, net	142,273	148,390
Other current assets	106,710	111,089
Total current assets	861,023	948,997
Accounts, grants, and notes receivable, net, long-term	67,667	67,688
Investments and assets whose use is limited	2,405,829	2,448,262
Property and equipment, net	1,266,496	1,284,201
Operating lease right-of-use assets, net	187,004	196,476
Goodwill	94,025	94,025
Other assets	17,922	24,218
Total assets	<u>\$ 4,899,966</u>	<u>\$ 5,063,867</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accruals	\$ 192,915	\$ 184,895
Accrued employee compensation	345,400	365,586
Amounts due to third-party payers, net	67,010	75,810
Deferred revenue	125,033	159,028
Current portion of long-term debt	158,121	158,130
Current portion of operating lease liabilities	41,244	40,833
Other current liabilities	67,906	60,157
Total current liabilities	997,629	1,044,439
Notes payable, finance leases, and line of credit, net of current portion	85,892	88,557
Bonds payable, net of current portion	727,691	727,959
Operating lease liabilities, net of current portion	153,149	162,934
Retirement benefits	96,172	96,260
Other long-term liabilities	117,446	126,781
Total liabilities	<u>2,177,979</u>	<u>2,246,930</u>
Net assets:		
Without donor restrictions:		
Wake Forest Baptist	2,293,606	2,392,791
Noncontrolling interest in affiliates	9,944	9,806
Total net assets without donor restrictions	<u>2,303,550</u>	<u>2,402,597</u>
With donor restrictions	<u>418,437</u>	<u>414,340</u>
Total net assets	<u>2,721,987</u>	<u>2,816,937</u>
Total liabilities and net assets	<u>\$ 4,899,966</u>	<u>\$ 5,063,867</u>

See accompanying notes to combined financial statements.

FS-1

ATRIUM HEALTH WAKE FOREST BAPTIST

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

Dollars in thousands.

	Period Ended March 31,	
	2022	2021
Changes in net assets without donor restrictions:		
Operating revenues and support		
Patient service revenue	\$ 808,012	\$ 782,511
Gifts, grants, and contracts	56,548	57,521
Net student tuition and fees	10,323	11,147
Investment return designated for current operations	8,881	6,823
Other sources	131,275	108,925
Net assets released from restrictions	11,336	9,490
	<u>1,026,375</u>	<u>976,417</u>
Operating expenses		
Salaries and wages	528,686	474,276
Employee benefits	114,181	103,650
Purchased services	35,970	38,597
Clinical and laboratory supplies	252,446	220,795
Other operating expenses	91,745	88,885
Depreciation	41,874	41,343
Financing costs	7,348	7,616
	<u>1,072,250</u>	<u>975,162</u>
Operating (deficiency) excess of revenues and support over expenses and losses	(45,875)	1,255
Nonoperating gains (losses)		
(Losses) gains from equity-method affiliates	(5)	4,015
Net investment (losses) gains	(53,944)	28,551
Net assets released from restrictions	-	150,000
Net gains on interest rate swap valuation	956	986
Pension and postretirement costs, net	79	(3,237)
Other	(258)	2,268
	<u>(99,047)</u>	<u>183,838</u>
(Deficiency) excess of revenues and support over expenses and losses before noncontrolling interest	\$ (99,047)	\$ 183,838

ATRIUM HEALTH WAKE FOREST BAPTIST

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

Dollars in thousands.

	Period Ended March 31,	
	2022	2021
(Deficiency) excess of revenues and support over expenses and losses before noncontrolling interest	\$ (99,047)	\$ 183,838
Noncontrolling interest	(138)	(55)
(Deficiency) excess of revenues and support over expenses and losses attributable to Wake Forest Baptist	(99,185)	183,783
Pension and other postretirement net adjustments	-	(25)
Other	-	(305)
Change in net assets without donor restrictions attributable to Wake Forest Baptist	(99,185)	183,453
Changes in net assets with donor restrictions:		
Contributions	16,686	(1,112)
Investment return in excess of amounts designated for current operations	2,187	1,980
Net assets released from restrictions	(11,336)	(159,490)
Net investment gains	(3,384)	5,161
Other	(56)	(81)
Change in net assets with donor restrictions attributable to Wake Forest Baptist	4,097	(153,542)
Change in total net assets attributable to Wake Forest Baptist	(95,088)	29,911
Net assets attributable to Wake Forest Baptist at beginning of year	2,807,131	2,515,303
Net assets attributable to Wake Forest Baptist at end of year	2,712,043	2,545,214
Change in net assets attributable to noncontrolling interest	138	55
Net assets attributable to noncontrolling interest at beginning of year	9,806	9,466
Total net assets at end of year	<u>\$ 2,721,987</u>	<u>\$ 2,554,735</u>

See accompanying notes to combined financial statements.

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ATRIUM HEALTH WAKE FOREST BAPTIST
 Combined Statements of Cash Flows (Unaudited)

Dollars in thousands.

	Period Ended March 31,	
	2022	2021
Operating activities and gains and losses		
Change in net assets	\$ (94,950)	\$ 29,966
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	41,874	41,343
Amortization of bond premium	(268)	(269)
Amortization of operating lease right-of-use assets	4,819	9,919
Losses (gains) from equity-method affiliates	5	(4,015)
Net investment losses (gains)	46,260	(42,515)
Gains in value of interest rate swaps, net	(956)	(986)
Gains on disposal of property and equipment	-	(6,328)
Contributions restricted for long-term investing	(2,869)	(2,548)
Changes in operating assets and liabilities:		
Patient receivables, net	(19,500)	3,101
Accounts, grants, and notes receivable, net	6,138	140,797
Other current assets	4,379	7,635
Operating lease right-of-use assets, net	4,653	1,222
Other assets	6,296	405
Accounts payable and accruals	8,020	25,683
Accrued employee compensation	(20,186)	4,285
Amounts due to third-party payers, net	(8,800)	25,423
Deferred revenue	(33,995)	28,177
Other current liabilities	7,749	11,013
Operating lease liabilities	(9,374)	(10,459)
Retirement benefits	(88)	3,493
Other long-term liabilities	(8,379)	(9,816)
Net cash (used in) provided by operating activities	<u>(69,172)</u>	<u>255,526</u>
Investing activities		
Net sales and purchases of investments	(4,912)	(353,665)
Acquisitions, net of cash acquired	-	(21,300)
Net additions to property and equipment	(24,169)	(16,469)
Net cash used in investing activities	<u>(29,081)</u>	<u>(391,434)</u>
Financing activities		
Principal payments on debt	(2,003)	(1,771)
Payments on finance lease obligations	(671)	(822)
Contributions restricted for long-term investing	2,869	2,548
Net cash provided by (used in) financing activities	<u>195</u>	<u>(45)</u>
(Decrease) in cash, cash equivalents and restricted cash	(98,058)	(135,953)
Cash, cash equivalents and restricted cash at beginning of year	<u>338,517</u>	<u>555,907</u>
Cash, cash equivalents and restricted cash at end of year	<u>\$ 240,459</u>	<u>\$ 419,954</u>
Cash and cash equivalents	\$ 235,503	\$ 408,714
Restricted cash in investments and assets whose use is limited	<u>4,956</u>	<u>11,240</u>
Total cash, cash equivalents and restricted cash	<u>\$ 240,459</u>	<u>\$ 419,954</u>

ATRIUM HEALTH WAKE FOREST BAPTIST
Combining Balance Sheet Information (Unaudited)

March 31, 2022

Dollars in thousands.

	<u>NCBH</u>	<u>WFUHS</u>	<u>WFUBMC</u>	<u>Other Subs and Affiliates</u>	<u>Eliminations</u>	<u>Total WFB</u>	<u>Non- Designated Entities</u>	<u>Eliminations</u>	<u>Total Combined Group ⁽¹⁾</u>
Assets									
Current assets:									
Cash and cash equivalents	\$ 48,348	\$ 14,327	\$ 168,200	\$ 4,628	\$ -	\$ 235,503	\$ (48,616)	\$ -	\$ 186,887
Patient receivables	201,775	87,496	84,274	2,992	-	376,537	(22,731)	-	353,806
Accounts, grants, and notes receivable, net	192,606	214,694	266,533	10,961	(542,521)	142,273	(29,821)	-	112,452
Other current assets	77,802	14,458	14,273	177	-	106,710	(3,332)	-	103,378
Total current assets	520,531	330,975	533,280	18,758	(542,521)	861,023	(104,500)	-	756,523
Accounts, grants, and notes receivable, net, long-term	8	17,473	50,186	-	-	67,667	-	-	67,667
Investments and assets whose use is limited	1,300,354	1,238,003	332,282	144	(464,954)	2,405,829	(97,772)	19,025	2,327,082
Property and equipment, net	568,859	367,219	321,149	9,269	-	1,266,496	(78,545)	-	1,187,951
Operating lease right-of-use assets, net	20,063	135,959	115,582	-	(84,600)	187,004	(37,611)	-	149,393
Goodwill	36,105	1,505	56,415	-	-	94,025	(92,101)	-	1,924
Other assets	7,990	9,239	693	-	-	17,922	(368)	-	17,554
Total assets	<u>\$ 2,453,910</u>	<u>\$ 2,100,373</u>	<u>\$ 1,409,587</u>	<u>\$ 28,171</u>	<u>\$ (1,092,075)</u>	<u>\$ 4,899,966</u>	<u>\$ (410,897)</u>	<u>\$ 19,025</u>	<u>\$ 4,508,094</u>
Liabilities and Net Assets									
Current liabilities:									
Accounts payable and accruals	\$ 70,627	\$ 219,810	\$ 433,112	\$ 6,268	\$ (536,902)	\$ 192,915	\$ (145,643)	\$ -	\$ 47,272
Accrued employee compensation	73,778	194,016	77,334	272	-	345,400	(9,377)	-	336,023
Amounts due to third-party payers, net	66,634	246	130	-	-	67,010	1,262	-	68,272
Deferred revenue	62,303	55,792	16,525	88	(9,675)	125,033	(420)	-	124,613
Current portion of long-term debt	93,071	11,599	52,284	1,167	-	158,121	(1,378)	-	156,743
Current portion of operating lease liabilities	4,784	23,805	17,230	-	(4,575)	41,244	(11,748)	-	29,496
Other current liabilities	34,902	24,544	7,888	72	500	67,906	(4,619)	-	63,287
Total current liabilities	406,099	529,812	604,503	7,867	(550,652)	997,629	(171,923)	-	825,706
Notes payable, finance leases, and line of credit, net of current portion	15,719	41,380	25,604	3,189	-	85,892	(24,339)	-	61,553
Bonds payable, net of current portion	398,577	120,235	208,879	-	-	727,691	-	-	727,691
Operating lease liabilities, net of current portion	14,918	117,154	91,427	-	(70,350)	153,149	(26,916)	-	126,233
Retirement benefits	72,326	23,276	570	-	-	96,172	(570)	-	95,602
Other long-term liabilities	44,413	61,622	17,480	49	(6,118)	117,446	(6,165)	-	111,281
Total liabilities	<u>952,052</u>	<u>893,479</u>	<u>948,463</u>	<u>11,105</u>	<u>(627,120)</u>	<u>2,177,979</u>	<u>(229,913)</u>	<u>-</u>	<u>1,948,066</u>
Net assets:									
Without donor restrictions:									
Wake Forest Baptist	1,470,316	890,957	368,119	17,066	(452,852)	2,293,606	(180,374)	28,103	2,141,335
Noncontrolling interest in affiliates	21,181	895	(29)	-	(12,103)	9,944	-	(9,078)	866
Total net assets without donor restrictions	1,491,497	891,852	368,090	17,066	(464,955)	2,303,550	(180,374)	19,025	2,142,201
With donor restrictions	10,361	315,042	93,034	-	-	418,437	(610)	-	417,827
Total net assets	<u>1,501,858</u>	<u>1,206,894</u>	<u>461,124</u>	<u>17,066</u>	<u>(464,955)</u>	<u>2,721,987</u>	<u>(180,984)</u>	<u>19,025</u>	<u>2,560,028</u>
Total liabilities and net assets	<u>\$ 2,453,910</u>	<u>\$ 2,100,373</u>	<u>\$ 1,409,587</u>	<u>\$ 28,171</u>	<u>\$ (1,092,075)</u>	<u>\$ 4,899,966</u>	<u>\$ (410,897)</u>	<u>\$ 19,025</u>	<u>\$ 4,508,094</u>

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

ATRIUM HEALTH WAKE FOREST BAPTIST

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

Period Ended March 31, 2022

Dollars in thousands.

	NCBH	WFUHS	WFUBMC	Other Subs and Affiliates	Eliminations	Total WFB	Non- Designated Entities	Eliminations	Total Combined Group ⁽¹⁾
Changes in net assets without donor restrictions:									
Operating revenues and support:									
Patient service revenue	\$ 425,745	\$ 177,324	\$ 199,589	\$ 5,354	\$ -	\$ 808,012	\$ (58,928)	\$ -	\$ 749,084
Gifts, grants, and contracts	360	55,987	215	-	(14)	56,548	(691)	-	55,857
Net student tuition and fees	570	9,753	-	-	-	10,323	-	-	10,323
Investment return designated for current operations	369	8,075	356	81	-	8,881	(446)	-	8,435
Other sources	121,572	68,995	7,459	37	(66,788)	131,275	(19,273)	-	112,002
Net assets released from restrictions	176	11,045	115	-	-	11,336	(1)	-	11,335
Total operating revenues and support	548,792	331,179	207,734	5,472	(66,802)	1,026,375	(79,339)	-	947,036
Operating expenses:									
Salaries and wages	211,220	216,831	98,212	1,330	1,093	528,686	(37,931)	-	490,755
Employee benefits	46,343	46,597	20,683	283	275	114,181	(8,370)	-	105,811
Purchased services	74,214	16,210	6,785	1,050	(62,289)	35,970	(7,468)	-	28,502
Clinical and laboratory supplies	177,955	29,283	44,813	395	-	252,446	(10,675)	-	241,771
Other operating expenses	35,596	34,178	26,931	921	(5,881)	91,745	(16,921)	-	74,824
Depreciation	23,780	9,851	7,863	380	-	41,874	(1,719)	-	40,155
Financing costs	3,231	1,776	2,310	31	-	7,348	(249)	-	7,099
Total operating expenses	572,339	354,726	207,597	4,390	(66,802)	1,072,250	(83,333)	-	988,917
Operating (deficiency) excess of revenues and support over expenses and losses	(23,547)	(23,547)	137	1,082	-	(45,875)	3,994	-	(41,881)
Nonoperating gains (losses)									
(Losses) gains from equity-method affiliates	(1,001)	(2,274)	636	-	2,634	(5)	(82)	(6,349)	(6,436)
Net investment (losses) gains	(41,449)	(8,051)	(4,353)	(91)	-	(53,944)	632	625	(52,687)
Net gains on interest rate swap valuation	-	956	-	-	-	956	-	-	956
Pension and postretirement costs, net	(42)	(23)	144	-	-	79	(144)	-	(65)
Other	-	(160)	-	(384)	286	(258)	383	(286)	(161)
(Deficiency) excess of revenues and support over expenses and losses before noncontrolling interest	(66,039)	(33,099)	(3,436)	607	2,920	(99,047)	4,783	(6,010)	(100,274)

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

ATRIUM HEALTH WAKE FOREST BAPTIST

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

Period Ended March 31, 2022

Dollars in thousands.

	NCBH	WFUHS	WFUBMC	Other Subs and Affiliates	Eliminations	Total WFB	Non- Designated Entities	Eliminations	Total Combined Group ⁽¹⁾
(Deficiency) excess of revenues and support over expenses and losses before noncontrolling interest	\$ (66,039)	\$ (33,099)	\$ (3,436)	\$ 607	\$ 2,920	\$ (99,047)	\$ 4,783	\$ (6,010)	\$ (100,274)
Noncontrolling interest	(143)	(12)	29	-	(12)	(138)	-	155	17
Change in net assets without donor restrictions	(66,182)	(33,111)	(3,407)	607	2,908	(99,185)	4,783	(5,855)	(100,257)
Changes in net assets with donor restrictions:									
Contributions	73	16,520	93	-	-	16,686	479	-	17,165
Investment return in excess of amounts designated for current operations	49	2,138	-	-	-	2,187	1	-	2,188
Net assets released from restrictions	(176)	(11,045)	(115)	-	-	(11,336)	-	-	(11,336)
Net investment gains	(216)	(3,168)	-	-	-	(3,384)	-	-	(3,384)
Other	(11)	(43)	(2)	-	-	(56)	-	-	(56)
Change in net assets with donor restrictions	(281)	4,402	(24)	-	-	4,097	480	-	4,577
Change in net assets attributable to WFB	(66,463)	(28,709)	(3,431)	607	2,908	(95,088)	5,263	(5,855)	(95,680)
Net assets attributable to WFB at beginning of year	1,547,140	1,234,708	464,584	16,459	(455,760)	2,807,131	(186,247)	33,958	2,654,842
Net assets attributable to WFB at end of year	1,480,677	1,205,999	461,153	17,066	(452,852)	2,712,043	(180,984)	28,103	2,559,162
Change in net assets attributable to noncontrolling interest	143	12	(29)	-	12	138	-	(155)	(17)
Net assets attributable to noncontrolling interest at beginning of year	21,038	883	-	-	(12,115)	9,806	-	(8,923)	883
Total net assets at end of year	\$ 1,501,858	\$ 1,206,894	\$ 461,124	\$ 17,066	\$ (464,955)	\$ 2,721,987	\$ (180,984)	\$ 19,025	\$ 2,560,028

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