



QUARTERLY DISCLOSURE STATEMENT (UNAUDITED)

For the Period Ended September 30, 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
September 30, 2022

The following statistics reflect activity for the nine months ended September 30, 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

	Nine Months Ended		% Chg from Prior Year
	<u>9/30/2022</u>	<u>9/30/2021</u>	
Case Mix Adjusted Equivalent Discharges	213,151	215,125	-0.9%
Patient Days	245,957	245,173	0.3%
Inpatient Admissions	43,861	45,237	-3.0%
Average Length of Stay	5.61	5.42	3.5%
Average Length of Stay (Case Mix Adjusted)	2.86	2.73	4.8%
Inpatient Operating Room Cases	13,138	14,154	-7.2%
Outpatient Operating Room Cases	32,013	30,399	5.3%
Total Operating Room Cases	45,151	44,553	1.3%
Emergency Department Visits	152,219	147,352	3.3%
Case Mix Index (all payors using Medicare weights)	1.9633	1.9844	-1.1%
RVUs	6,177,828	5,987,532	3.2%
Outpatient Visits	1,432,132	1,406,322	1.8%

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 September 30, 2022
(Unaudited)**

ATRIUM HEALTH WAKE FOREST BAPTIST

Combined Financial Statements Period Ended September 30, 2022 (Unaudited)

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ATRIUM HEALTH WAKE FOREST BAPTIST

Combined Balance Sheets

Dollars in thousands.

	(Unaudited) September 30, 2022	(Audited) December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 177,839	\$ 332,481
Patient receivables	365,288	357,037
Accounts, grants, and notes receivable, net	143,345	148,390
Other current assets	113,776	111,089
Total current assets	800,248	948,997
Accounts, grants, and notes receivable, net, long-term	67,784	67,688
Investments and assets whose use is limited	2,049,337	2,448,262
Property and equipment, net	1,252,431	1,284,201
Operating lease right-of-use assets, net	164,067	196,476
Goodwill	94,025	94,025
Other assets	14,000	24,218
Total assets	<u>\$ 4,441,892</u>	<u>\$ 5,063,867</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accruals	\$ 200,696	\$ 184,895
Accrued employee compensation	306,375	365,586
Amounts due to third-party payers, net	50,620	75,810
Deferred revenue	53,260	159,028
Current portion of long-term debt	157,859	158,130
Current portion of operating lease liabilities	38,677	40,833
Other current liabilities	79,773	60,157
Total current liabilities	887,260	1,044,439
Notes payable, finance leases, and line of credit, net of current portion	81,563	88,557
Bonds payable, net of current portion	710,516	727,959
Operating lease liabilities, net of current portion	132,859	162,934
Retirement benefits	91,759	96,260
Other long-term liabilities	112,042	126,781
Total liabilities	<u>2,015,999</u>	<u>2,246,930</u>
Net assets:		
Without donor restrictions:		
Wake Forest Baptist	2,041,717	2,392,791
Noncontrolling interest in affiliates	10,309	9,806
Total net assets without donor restrictions	<u>2,052,026</u>	<u>2,402,597</u>
With donor restrictions	373,867	414,340
Total net assets	<u>2,425,893</u>	<u>2,816,937</u>
Total liabilities and net assets	<u>\$ 4,441,892</u>	<u>\$ 5,063,867</u>

See accompanying notes to combined financial statements.

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ATRIUM HEALTH WAKE FOREST BAPTIST

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

Dollars in thousands.

	Period Ended September 30,	
	2022	2021
Changes in net assets without donor restrictions:		
Operating revenues and support		
Patient service revenue	\$ 2,475,321	\$ 2,423,429
Gifts, grants, and contracts	160,452	150,534
Net student tuition and fees	31,355	32,075
Investment return designated for current operations	26,710	23,964
Other sources	406,555	366,930
Net assets released from restrictions	39,899	27,179
	<u>3,140,292</u>	<u>3,024,111</u>
Operating expenses		
Salaries and wages	1,609,697	1,427,549
Employee benefits	312,233	311,519
Purchased services	105,877	110,208
Clinical and laboratory supplies	767,663	722,292
Other operating expenses	295,206	258,876
Depreciation	123,809	113,367
Financing costs	22,408	22,695
	<u>3,236,893</u>	<u>2,966,506</u>
Operating (deficiency) excess of revenues and support over expenses and losses	(96,601)	57,605
Nonoperating gains (losses)		
(Losses) gains from equity-method affiliates	(2,032)	21,102
Net investment (losses) gains	(260,398)	117,234
Net assets released from restrictions	-	150,000
Net gains on interest rate swap valuation	2,330	1,018
Pension and postretirement costs, net	295	(6,851)
Other	1,544	(954)
	<u>1,544</u>	<u>(954)</u>
(Deficiency) excess of revenues and support over expenses and losses before noncontrolling interest	\$ (354,862)	\$ 339,154

ATRIUM HEALTH WAKE FOREST BAPTIST

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

Dollars in thousands.

	Period Ended September 30, 2022	2021
(Deficiency) excess of revenues and support over expenses and losses before noncontrolling interest	\$ (354,862)	\$ 339,154
Noncontrolling interest	<u>(503)</u>	<u>(320)</u>
(Deficiency) excess of revenues and support over expenses and losses attributable to Wake Forest Baptist	(355,365)	338,834
Pension and other postretirement net adjustments	<u>4,291</u>	<u>38,772</u>
Change in net assets without donor restrictions attributable to Wake Forest Baptist	<u>(351,074)</u>	<u>377,606</u>
Changes in net assets with donor restrictions:		
Contributions	25,711	15,094
Investment return in excess of amounts designated for current operations	6,622	6,207
Net assets released from restrictions	(39,899)	(177,179)
Net investment (losses) gains	(32,874)	24,289
Other	<u>(33)</u>	<u>(6,210)</u>
Change in net assets with donor restrictions attributable to Wake Forest Baptist	<u>(40,473)</u>	<u>(137,799)</u>
Change in total net assets attributable to Wake Forest Baptist	(391,547)	239,807
Net assets attributable to Wake Forest Baptist at beginning of year	<u>2,807,131</u>	<u>2,515,303</u>
Net assets attributable to Wake Forest Baptist at end of year	2,415,584	2,755,110
Change in net assets attributable to noncontrolling interest	503	320
Net assets attributable to noncontrolling interest at beginning of year	<u>9,806</u>	<u>9,466</u>
Total net assets at end of year	<u>\$ 2,425,893</u>	<u>\$ 2,764,896</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 September 30,	
	2022	2021
Operating activities and gains and losses		
Change in net assets	\$ (391,044)	\$ 240,127
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	123,809	113,367
Amortization of bond premium	(805)	(805)
Amortization of operating lease right-of-use assets	22,372	28,021
Losses (gains) from equity-method affiliates	2,032	(21,102)
Net investment losses (gains)	259,940	(171,694)
Gains in value of interest rate swaps, net	(2,330)	(1,018)
(Gains) losses on disposal of property and equipment	(16)	486
Contributions restricted for long-term investing	(6,214)	(5,769)
Changes in operating assets and liabilities:		
Patient receivables, net	(8,251)	(26,693)
Accounts, grants, and notes receivable, net	4,949	130,326
Other current assets	(2,687)	818
Operating lease right-of-use assets, net	10,037	501
Other assets	10,218	(15,407)
Accounts payable and accruals	15,801	22,279
Accrued employee compensation	(59,211)	45,573
Amounts due to third-party payers, net	(25,190)	27,617
Deferred revenue	(105,768)	(79,184)
Other current liabilities	19,617	31,756
Operating lease liabilities	(32,231)	(28,595)
Retirement benefits	(4,501)	(31,936)
Other long-term liabilities	(12,409)	26,827
Net cash (used in) provided by operating activities	<u>(181,882)</u>	<u>285,495</u>
Investing activities		
Net sales and purchases of investments	134,584	(353,682)
Acquisitions, net of cash acquired	-	(21,300)
Net additions to property and equipment	(91,743)	(85,604)
Net cash provided by (used in) investing activities	<u>42,841</u>	<u>(460,586)</u>
Financing activities		
Principal payments on debt	(22,125)	(36,703)
Payments on finance lease obligations	(2,059)	(1,838)
Contributions restricted for long-term investing	6,214	5,769
Net cash used in financing activities	<u>(17,970)</u>	<u>(32,772)</u>
Decrease in cash, cash equivalents and restricted cash	(157,011)	(207,863)
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>\$ 181,506</u>	<u>\$ 348,044</u>
Cash and cash equivalents	\$ 177,839	\$ 336,710
Restricted cash in investments and assets whose use is limited	<u>3,667</u>	<u>11,334</u>
Total cash, cash equivalents and restricted cash	<u>\$ 181,506</u>	<u>\$ 348,044</u>

ATRIUM HEALTH WAKE FOREST BAPTIST

Combining Balance Sheet Information (Unaudited)

September 30, 2022

Dollars in thousands.

	NCBH	WFUHS	WFUBMC	Other Subs and Affiliates	Eliminations	Total WFB	Non- Designated Entities	Eliminations	Total Combined Group ⁽¹⁾
Assets									
Current assets:									
Cash and cash equivalents	\$ 42,340	\$ 16,150	\$ 112,456	\$ 6,893	\$ -	\$ 177,839	\$ (46,608)	\$ -	\$ 131,231
Patient receivables	194,280	86,477	81,855	2,676	-	365,288	(21,731)	-	343,557
Accounts, grants, and notes receivable, net	142,114	178,184	284,706	10,919	(472,578)	143,345	(40,230)	-	103,115
Other current assets	83,389	15,607	14,558	222	-	113,776	(4,084)	-	109,692
Total current assets	462,123	296,418	493,575	20,710	(472,578)	800,248	(112,653)	-	687,595
Accounts, grants, and notes receivable, net, long-term	8	17,590	50,186	-	-	67,784	-	-	67,784
Investments and assets whose use is limited	1,136,652	1,133,097	251,470	144	(472,026)	2,049,337	(89,049)	11,166	1,971,454
Property and equipment, net	543,209	378,973	321,345	8,904	-	1,252,431	(79,007)	-	1,173,424
Operating lease right-of-use assets, net	17,683	121,144	109,321	-	(84,081)	164,067	(32,486)	-	131,581
Goodwill	36,105	1,505	56,415	-	-	94,025	(92,101)	-	1,924
Other assets	4,662	8,630	708	-	-	14,000	(377)	-	13,623
Total assets	\$ 2,200,442	\$ 1,957,357	\$ 1,283,020	\$ 29,758	\$ (1,028,685)	\$ 4,441,892	\$ (405,673)	\$ 11,166	\$ 4,047,385
Liabilities and Net Assets									
Current liabilities:									
Accounts payable and accruals	\$ 74,476	\$ 224,584	\$ 363,624	\$ 8,315	\$ (470,303)	\$ 200,696	\$ (157,846)	\$ -	\$ 42,850
Accrued employee compensation	59,671	206,559	39,837	308	-	306,375	(10,539)	-	295,836
Amounts due to third-party payers, net	49,233	437	950	-	-	50,620	1,116	-	51,736
Deferred revenue	10,703	52,783	1,189	72	(11,487)	53,260	(405)	-	52,855
Current portion of long-term debt	93,503	10,794	52,327	1,235	-	157,859	(1,460)	-	156,399
Current portion of operating lease liabilities	3,969	23,671	15,561	-	(4,524)	38,677	(10,182)	-	28,495
Other current liabilities	40,060	30,658	8,495	60	500	79,773	(8,177)	-	71,596
Total current liabilities	331,615	549,486	481,983	9,990	(485,814)	887,260	(187,493)	-	699,767
Notes payable, finance leases, and line of credit, net of current portion	13,897	39,904	24,960	2,802	-	81,563	(23,834)	-	57,729
Bonds payable, net of current portion	381,938	119,666	208,912	-	-	710,516	-	-	710,516
Operating lease liabilities, net of current portion	13,245	102,493	85,191	-	(68,070)	132,859	(23,400)	-	109,459
Retirement benefits	72,407	19,069	283	-	-	91,759	(283)	-	91,476
Other long-term liabilities	43,968	56,865	13,935	49	(2,775)	112,042	(6,032)	-	106,010
Total liabilities	857,070	887,483	815,264	12,841	(556,659)	2,015,999	(241,042)	-	1,774,957
Net assets:									
Without donor restrictions:									
Wake Forest Baptist	1,311,573	797,511	375,305	16,917	(459,589)	2,041,717	(164,266)	20,527	1,897,978
Noncontrolling interest in affiliates	21,797	949	-	-	(12,437)	10,309	-	(9,361)	948
Total net assets without donor restrictions	1,333,370	798,460	375,305	16,917	(472,026)	2,052,026	(164,266)	11,166	1,898,926
With donor restrictions	10,002	271,414	92,451	-	-	373,867	(365)	-	373,502
Total net assets	1,343,372	1,069,874	467,756	16,917	(472,026)	2,425,893	(164,631)	11,166	2,272,428
Total liabilities and net assets	\$ 2,200,442	\$ 1,957,357	\$ 1,283,020	\$ 29,758	\$ (1,028,685)	\$ 4,441,892	\$ (405,673)	\$ 11,166	\$ 4,047,385

⁽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 September 30, 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	\$ 1,302,921	\$ 545,610	\$ 610,397	\$ 16,393	\$ -	\$ 2,475,321	\$ (181,008)	\$ -	\$ 2,294,313
Gifts, grants, and contracts	1,367	158,039	1,289	-	(243)	160,452	(1,072)	-	159,380
Net student tuition and fees	1,738	29,617	-	-	-	31,355	-	-	31,355
current operations	1,104	24,290	1,073	243	-	26,710	(1,337)	-	25,373
Other sources	362,550	218,513	28,934	111	(203,553)	406,555	(62,110)	-	344,445
Net assets released from restrictions	287	37,446	2,166	-	-	39,899	(6)	-	39,893
Total operating revenues and support	1,669,967	1,013,515	643,859	16,747	(203,796)	3,140,292	(245,533)	-	2,894,759
Operating expenses:									
Salaries and wages	642,949	660,029	299,328	3,967	3,424	1,609,697	(115,754)	-	1,493,943
Employee benefits	125,514	128,710	56,341	815	853	312,233	(22,488)	-	289,745
Purchased services	223,428	48,899	19,578	3,337	(189,365)	105,877	(7,074)	-	98,803
Clinical and laboratory supplies	538,802	91,248	136,479	1,134	-	767,663	(32,874)	-	734,789
Other operating expenses	117,023	110,690	83,448	2,753	(18,708)	295,206	(68,598)	-	226,608
Depreciation	71,340	27,716	23,588	1,165	-	123,809	(5,176)	-	118,633
Financing costs	10,003	5,315	6,996	94	-	22,408	(747)	-	21,661
Total operating expenses	1,729,059	1,072,607	625,758	13,265	(203,796)	3,236,893	(252,711)	-	2,984,182
Operating (deficiency) excess of revenues and support over expenses and losses	(59,092)	(59,092)	18,101	3,482	-	(96,601)	7,178	-	(89,423)
Nonoperating gains (losses)									
(Losses) gains from equity-method affiliates	3,377	126	248	-	(5,783)	(2,032)	(459)	(12,236)	(14,727)
Net investment (losses) gains	(168,692)	(76,127)	(14,733)	(846)	-	(260,398)	12,418	-	(247,980)
Net gains on interest rate swap valuation	-	2,330	-	-	-	2,330	-	-	2,330
Pension and postretirement costs, net	(126)	(10)	431	-	-	295	(431)	-	(136)
Other	367	1,991	(268)	(2,178)	1,632	1,544	2,185	(1,633)	2,096
(Deficiency) excess of revenues and support over expenses and losses before noncontrolling interest	(224,166)	(130,782)	3,779	458	(4,151)	(354,862)	20,891	(13,869)	(347,840)

⁽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 September 30, 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	\$ (224,166)	\$ (130,782)	\$ 3,779	\$ 458	\$ (4,151)	\$ (354,862)	\$ 20,891	\$ (13,869)	\$ (347,840)
Noncontrolling interest	(759)	(66)	-	-	322	(503)	-	438	(65)
(Deficiency) excess of revenues and support over expenses and losses attributable to WFB	(224,925)	(130,848)	3,779	458	(3,829)	(355,365)	20,891	(13,431)	(347,905)
Pension and postretirement net adjustments	-	4,291	-	-	-	4,291	-	-	4,291
Change in net assets without donor restrictions	(224,925)	(126,557)	3,779	458	(3,829)	(351,074)	20,891	(13,431)	(343,614)
Changes in net assets with donor restrictions:									
Contributions	294	23,853	1,564	-	-	25,711	719	-	26,430
Investment return in excess of amounts designated for current operations	109	6,513	-	-	-	6,622	-	-	6,622
Net assets released from restrictions	(287)	(37,446)	(2,166)	-	-	(39,899)	6	-	(39,893)
Net investment (losses) gains	(732)	(32,142)	-	-	-	(32,874)	-	-	(32,874)
Other	(24)	(4)	(5)	-	-	(33)	-	-	(33)
Change in net assets with donor restrictions	(640)	(39,226)	(607)	-	-	(40,473)	725	-	(39,748)
Change in net assets attributable to WFB	(225,565)	(165,783)	3,172	458	(3,829)	(391,547)	21,616	(13,431)	(383,362)
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	1,321,575	1,068,925	467,756	16,917	(459,589)	2,415,584	(164,631)	20,527	2,271,480
Change in net assets attributable to noncontrolling interest	759	66	-	-	(322)	503	-	(438)	65
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	\$ 1,343,372	\$ 1,069,874	\$ 467,756	\$ 16,917	\$ (472,026)	\$ 2,425,893	\$ (164,631)	\$ 11,166	\$ 2,272,428

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