



QUARTERLY DISCLOSURE STATEMENT (UNAUDITED)

For the Period Ended September 30, 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
September 30, 2021

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

	Nine Months Ended		% Chg from Prior Year
	<u>9/30/2021</u>	<u>9/30/2020</u>	
Case Mix Adjusted Equivalent Discharges	215,125	194,230	10.8%
Patient Days	245,173	237,352	3.3%
Inpatient Admissions	45,237	45,066	0.4%
Average Length of Stay	5.42	5.27	2.9%
Average Length of Stay (Case Mix Adjusted)	2.73	2.74	-0.3%
Inpatient Operating Room Cases	14,154	14,589	-3.0%
Outpatient Operating Room Cases	30,399	23,350	30.2%
Total Operating Room Cases	44,553	37,939	17.4%
Emergency Department Visits	147,352	129,054	14.2%
Case Mix Index (all payors using Medicare weights)	1.9844	1.9223	3.2%
RVUs	5,987,532	5,361,505	11.7%
Outpatient Visits	1,406,322	1,228,902	14.4%

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 Calendar Year Period Ended September 30, 2021
(Unaudited)**

WAKE FOREST BAPTIST
Combined Financial Statements
Calendar Year Period Ended September 30, 2021
(Unaudited)

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WAKE FOREST BAPTIST

Combined Balance Sheets

Dollars in thousands.

	(Unaudited) September 30, 2021	(Unaudited) December 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 336,710	\$ 544,802
Patient receivables	356,928	330,235
Accounts, grants, and notes receivable, net	142,259	259,431
Other current assets	120,068	120,886
Total current assets	955,965	1,255,354
Accounts, grants, and notes receivable, net, long-term	68,626	81,780
Investments and assets whose use is limited	2,368,267	1,821,560
Property and equipment, net	1,268,313	1,294,414
Operating lease right-of-use assets, net	207,235	235,757
Goodwill	94,025	94,025
Other assets	28,980	13,573
Total assets	<u>\$ 4,991,411</u>	<u>\$ 4,796,463</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accruals	\$ 158,216	\$ 135,937
Accrued employee compensation	318,794	273,221
Amounts due to third-party payers, net	89,263	61,646
Deferred revenue	166,993	131,907
Current portion of long-term debt	52,205	66,412
Current portion of operating lease liabilities	41,543	41,732
Other current liabilities	101,315	69,560
Total current liabilities	928,329	780,415
Notes payable, finance leases, and line of credit, net of current portion	90,748	96,703
Bonds payable, net of current portion	840,334	857,369
Operating lease liabilities, net of current portion	172,766	201,172
Retirement benefits	99,788	131,724
Deferred revenue, net of current portion	-	114,270
Other long-term liabilities	94,550	90,041
Total liabilities	<u>2,226,515</u>	<u>2,271,694</u>
Net assets:		
Without donor restrictions:		
Wake Forest Baptist	2,367,516	1,989,910
Noncontrolling interest in affiliates	9,786	9,466
Total net assets without donor restrictions	<u>2,377,302</u>	<u>1,999,376</u>
With donor restrictions	<u>387,594</u>	<u>525,393</u>
Total net assets	<u>2,764,896</u>	<u>2,524,769</u>
Total liabilities and net assets	<u>\$ 4,991,411</u>	<u>\$ 4,796,463</u>

WAKE FOREST BAPTIST

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

Dollars in thousands.

	Period Ended September 30,	
	2021	2020
Changes in net assets without donor restrictions:		
Operating revenues and support		
Patient service revenue	\$ 2,423,429	\$ 2,056,789
Gifts, grants, and contracts	150,534	270,833
Net student tuition and fees	32,075	31,218
Investment return designated for current operations	23,964	18,740
Other sources	366,930	292,531
Net assets released from restrictions	27,179	33,390
	<u>3,024,111</u>	<u>2,703,501</u>
Total operating revenues and support		
Operating expenses		
Salaries and wages	1,427,549	1,285,156
Employee benefits	311,519	266,333
Purchased services	216,037	206,938
Clinical and laboratory supplies	722,292	561,332
Other operating expenses	153,047	213,859
Depreciation	113,367	115,145
Financing costs	22,695	20,845
	<u>2,966,506</u>	<u>2,669,608</u>
Total operating expenses		
Operating excess of revenues and support over expenses and losses	57,605	33,893
Nonoperating gains (losses)		
Gains from equity-method affiliates	21,102	8,238
Net investment gains	117,234	21,483
Net assets released from restrictions	150,000	-
Net gains (losses) on interest rate swap valuation	1,018	(1,246)
Pension and postretirement costs	(6,851)	(7,923)
Other	(954)	(994)
	<u>(954)</u>	<u>(994)</u>
Excess of revenues and support over expenses and losses before noncontrolling interest	\$ 339,154	\$ 53,451

WAKE FOREST BAPTIST

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

Dollars in thousands.

	Period Ended September 30, 2021	2020
Excess of revenues and support over expenses and losses before noncontrolling interest	\$ 339,154	\$ 53,451
Noncontrolling interest	(320)	1,632
Excess of revenues and support over expenses and losses attributable to Wake Forest Baptist	338,834	55,083
Pension and other postretirement net adjustments	38,772	(25,057)
Other	-	(438)
Change in net assets without donor restrictions attributable to Wake Forest Baptist	<u>377,606</u>	<u>29,588</u>
Changes in net assets with donor restrictions:		
Contributions	15,094	10,747
Investment return in excess of amounts designated for current operations	6,207	6,483
Net assets released from restrictions	(177,179)	(33,390)
Net investment gains (losses)	24,289	(8,117)
Actuarial gains on annuity obligations	-	170
Other	(6,210)	(620)
Change in net assets with donor restrictions attributable to Wake Forest Baptist	<u>(137,799)</u>	<u>(24,727)</u>
Change in total net assets attributable to Wake Forest Baptist	239,807	4,861
Net assets attributable to Wake Forest Baptist at beginning of year	<u>2,515,303</u>	<u>2,108,287</u>
Net assets attributable to Wake Forest Baptist at end of period	2,755,110	2,113,148
Change in net assets attributable to noncontrolling interest	320	(1,632)
Net assets attributable to noncontrolling interest at beginning of year	<u>9,466</u>	<u>10,785</u>
Total net assets at end of period	<u>\$ 2,764,896</u>	<u>\$ 2,122,301</u>

WAKE FOREST BAPTIST
 Combined Statements of Cash Flows

Dollars in thousands.

	Period Ended September 30,	
	2021	2020
Operating activities and gains and losses		
Change in net assets	\$ 240,127	\$ 3,229
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	113,367	115,145
Amortization of bond premium	(805)	(6,256)
Amortization of operating lease right-of-use assets	28,021	32,797
Gains from equity-method affiliates	(21,102)	(8,238)
Net investment gains	(171,694)	(38,589)
(Gains) losses in value of interest rate swaps, net	(1,018)	1,246
Losses on disposal of property and equipment	486	117
Contributions restricted for long-term investing	(5,769)	(4,599)
Changes in operating assets and liabilities:		
Patient receivables, net	(26,693)	86,352
Accounts, grants, and notes receivable, net	130,326	7,589
Other current assets	818	(5,171)
Operating lease right-of-use assets, net	501	(28,003)
Other assets	(15,407)	15,337
Accounts payable and accruals	22,279	32,316
Accrued employee compensation	45,573	15,557
Amounts due to third-party payers, net	27,617	48,421
Deferred revenue	(79,184)	193,713
Other current liabilities	31,756	(7,875)
Operating lease liabilities	(28,595)	(7,260)
Retirement benefits	(31,936)	32,747
Other long-term liabilities	26,827	11,276
Net cash provided by operating activities	<u>285,495</u>	<u>489,851</u>
Investing activities		
Net sales and purchases of investments	(353,682)	(13,717)
Acquisitions, net of cash acquired	(21,300)	(21,300)
Net additions to property and equipment	(85,604)	(60,597)
Net cash used in investing activities	<u>(460,586)</u>	<u>(95,614)</u>
Financing activities		
Proceeds from issuance of debt	-	607
Principal payments on debt	(36,703)	(20,925)
Payments on finance lease obligations	(1,838)	(1,889)
Contributions restricted for long-term investing	5,769	4,599
Net cash used in financing activities	<u>(32,772)</u>	<u>(17,608)</u>
(Decrease) increase in cash, cash equivalents and restricted cash	(207,863)	376,629
Cash, cash equivalents and restricted cash at beginning of year	555,907	191,854
Cash, cash equivalents and restricted cash at end of year	<u>\$ 348,044</u>	<u>\$ 568,483</u>
Cash and cash equivalents	\$ 336,710	\$ 556,791
Restricted cash in investments and assets whose use is limited	11,334	11,692
Total cash, cash equivalents and restricted cash	<u>\$ 348,044</u>	<u>\$ 568,483</u>

WAKE FOREST BAPTIST

Combining Balance Sheet Information (Unaudited)

September 30, 2021

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	\$ 34,566	\$ 18,796	\$ 281,340	\$ 2,008	\$ -	\$ 336,710	\$ (59,049)	\$ -	\$ 277,661
Patient receivables	190,118	84,133	80,608	2,069	-	356,928	(20,240)	-	336,688
Accounts, grants, and notes receivable, net	249,238	273,045	171,621	10,683	(562,328)	142,259	109,666	(327)	251,598
Other current assets	90,328	12,672	16,917	151	-	120,068	(6,252)	-	113,816
Total current assets	564,250	388,646	550,486	14,911	(562,328)	955,965	24,125	(327)	979,763
Accounts, grants, and notes receivable, net, long-term	146	7,819	60,661	-	-	68,626	-	-	68,626
Investments and assets whose use is limited	1,307,561	1,217,439	318,582	144	(475,459)	2,368,267	(78,819)	42,848	2,332,296
Property and equipment, net	583,242	351,219	324,451	9,401	-	1,268,313	(78,755)	-	1,189,558
Operating lease right-of-use assets, net	22,774	149,112	120,432	-	(85,083)	207,235	(41,029)	-	166,206
Goodwill	36,105	1,505	56,415	-	-	94,025	(92,101)	-	1,924
Other assets	4,128	24,156	696	-	-	28,980	(359)	-	28,621
Total assets	\$ 2,518,206	\$ 2,139,896	\$ 1,431,723	\$ 24,456	\$ (1,122,870)	\$ 4,991,411	\$ (266,938)	\$ 42,521	\$ 4,766,994
Liabilities and Net Assets									
Current liabilities:									
Accounts payable and accruals	\$ 63,096	\$ 214,063	\$ 436,871	\$ 4,145	\$ (559,959)	\$ 158,216	\$ (3,999)	\$ (327)	\$ 153,890
Accrued employee compensation	55,580	190,653	72,309	252	-	318,794	(6,926)	-	311,868
Amounts due to third-party payers, net	81,465	-	7,798	-	-	89,263	(3,430)	-	85,833
Deferred revenue	109,108	64,647	1,000	102	(7,864)	166,993	(435)	-	166,558
Current portion of long-term debt	19,789	10,920	20,423	1,073	-	52,205	(1,270)	-	50,935
Current portion of operating lease liabilities	5,301	23,486	17,381	-	(4,625)	41,543	(11,560)	-	29,983
Other current liabilities	35,926	36,263	29,122	4	-	101,315	(5,466)	-	95,849
Total current liabilities	370,265	540,032	584,904	5,576	(572,448)	928,329	(33,086)	(327)	894,916
Notes payable, finance leases, and line of credit, net of current portion	17,524	43,706	26,233	3,285	-	90,748	(24,544)	-	66,204
Bonds payable, net of current portion	471,833	127,823	240,678	-	-	840,334	-	-	840,334
Operating lease liabilities, net of current portion	17,214	130,486	97,660	-	(72,594)	172,766	(30,454)	-	142,312
Retirement benefits	74,975	24,131	682	-	-	99,788	(682)	-	99,106
Deferred revenue, net of current portion	-	-	-	-	-	-	-	-	-
Other long-term liabilities	23,931	64,057	8,882	49	(2,369)	94,550	(2,924)	-	91,626
Total liabilities	975,742	930,235	959,039	8,910	(647,411)	2,226,515	(91,690)	(327)	2,134,498
Net assets:									
Without donor restrictions:									
Wake Forest Baptist	1,513,329	929,558	372,073	15,591	(463,035)	2,367,516	(175,364)	51,818	2,243,970
Noncontrolling interest in affiliates	21,393	815	2	-	(12,424)	9,786	-	(8,969)	817
Total net assets without donor restrictions	1,534,722	930,373	372,075	15,591	(475,459)	2,377,302	(175,364)	42,849	2,244,787
With donor restrictions	7,742	279,288	100,609	(45)	-	387,594	116	(1)	387,709
Total net assets	1,542,464	1,209,661	472,684	15,546	(475,459)	2,764,896	(175,248)	42,848	2,632,496
Total liabilities and net assets	\$ 2,518,206	\$ 2,139,896	\$ 1,431,723	\$ 24,456	\$ (1,122,870)	\$ 4,991,411	\$ (266,938)	\$ 42,521	\$ 4,766,994

⁽¹⁾ 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)

Period Ended September 30, 2021

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	\$ 1,288,156	\$ 529,492	\$ 592,287	\$ 13,494	\$ -	\$ 2,423,429	\$ (160,427)	\$ -	\$ 2,263,002
Gifts, grants, and contracts	3,017	145,287	2,298	-	(68)	150,534	(2,092)	-	148,442
Net student tuition and fees	1,400	30,675	-	-	-	32,075	-	-	32,075
Investment return designated for current operations	1,025	21,711	988	240	-	23,964	(1,261)	-	22,703
Other sources	316,115	206,570	31,791	154	(187,700)	366,930	(48,879)	-	318,051
Net assets released from restrictions	275	25,553	1,351	-	-	27,179	(19)	-	27,160
Total operating revenues and support	1,609,988	959,288	628,715	13,888	(187,768)	3,024,111	(212,678)	-	2,811,433
Operating expenses:									
Salaries and wages	562,165	618,493	240,356	3,245	3,290	1,427,549	(93,076)	-	1,334,473
Employee benefits	145,259	109,822	54,908	659	871	311,519	(20,957)	-	290,562
Purchased services	264,650	70,009	60,960	4,376	(183,958)	216,037	(21,496)	-	194,541
Clinical and laboratory supplies	512,169	88,840	120,355	928	-	722,292	(24,741)	-	697,551
Other operating expenses	63,543	51,545	45,027	903	(7,971)	153,047	(40,875)	-	112,172
Depreciation	64,704	27,477	20,231	955	-	113,367	(4,458)	-	108,909
Financing costs	9,995	5,599	7,034	67	-	22,695	(725)	-	21,970
Total operating expenses	1,622,485	971,785	548,871	11,133	(187,768)	2,966,506	(206,328)	-	2,760,178
Operating excess (deficiency) of revenues and support over expenses and losses	(12,497)	(12,497)	79,844	2,755	-	57,605	(6,350)	-	51,255
Nonoperating gains (losses)									
Gains from equity-method affiliates	49,368	56,537	3,272	-	(88,075)	21,102	(378)	7,004	27,728
Net investment gains	63,440	50,001	3,170	623	-	117,234	(2,746)	435	114,923
Net assets released from restrictions	-	150,000	-	-	-	150,000	-	-	150,000
Net gains on interest rate swap valuation	-	1,018	-	-	-	1,018	-	-	1,018
Pension and postretirement costs	(7,050)	(359)	558	-	-	(6,851)	(558)	-	(7,409)
Other	(346)	78	(30)	(2,624)	1,968	(954)	2,656	(1,967)	(265)
Excess of revenues and support over expenses and losses before noncontrolling interest	92,915	244,778	86,814	754	(86,107)	339,154	(7,376)	5,472	337,250

⁽¹⁾ 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

Period Ended September 30, 2021

Dollars in thousands.

	NCBH	WFUHS	WFUBMC	Other Subs and Affiliates	Eliminations	Total WFB	Non- Designated Entities	Eliminations	Total Combined Group ⁽¹⁾
Excess of revenues and support over expenses and losses before noncontrolling interest	\$ 92,915	\$ 244,778	\$ 86,814	\$ 754	\$ (86,107)	\$ 339,154	\$ (7,376)	\$ 5,472	\$ 337,250
Noncontrolling interest	(592)	(133)	(45)	-	450	(320)	-	142	(178)
Excess of revenues and support over expenses and losses attributable to WFB	92,323	244,645	86,769	754	(85,657)	338,834	(7,376)	5,614	337,072
Pension and postretirement net adjustments	34,592	2,276	1,904	-	-	38,772	(1,904)	-	36,868
Change in net assets without donor restrictions	126,915	246,921	88,673	754	(85,657)	377,606	(9,280)	5,614	373,940
Changes in net assets with donor restrictions:									
Contributions	(1,994)	18,191	(1,111)	8	-	15,094	733	-	15,827
Investment return in excess of amounts designated for current operations	71	6,135	-	1	-	6,207	(1)	-	6,206
Net assets released from restrictions	(275)	(175,553)	(1,351)	-	-	(177,179)	19	-	(177,160)
Net investment gains (losses)	361	23,924	-	4	-	24,289	(3)	(1)	24,285
Other	(47)	(5,956)	(149)	(58)	-	(6,210)	60	-	(6,150)
Change in net assets with donor restrictions	(1,884)	(133,259)	(2,611)	(45)	-	(137,799)	808	(1)	(136,992)
Change in net assets attributable to WFB	125,031	113,662	86,062	709	(85,657)	239,807	(8,472)	5,613	236,948
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 period	1,521,071	1,208,846	472,682	15,546	(463,035)	2,755,110	(175,248)	51,817	2,631,679
Change in net assets attributable to noncontrolling interest	592	133	45	-	(450)	320	-	(142)	178
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 period	\$ 1,542,464	\$ 1,209,661	\$ 472,684	\$ 15,546	\$ (475,459)	\$ 2,764,896	\$ (175,248)	\$ 42,848	\$ 2,632,496

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