



QUARTERLY DISCLOSURE STATEMENT (UNAUDITED)

For the Period Ended June 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
June 30, 2022

The following statistics reflect activity for the six months ended June 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

	<u>Six Months Ended</u>		<u>% Chg from Prior Year</u>
	<u>6/30/2022</u>	<u>6/30/2021</u>	
Case Mix Adjusted Equivalent Discharges	140,865	141,363	-0.4%
Patient Days	160,999	161,830	-0.5%
Inpatient Admissions	28,737	29,989	-4.2%
Average Length of Stay	5.60	5.40	3.8%
Average Length of Stay (Case Mix Adjusted)	2.83	2.71	4.4%
Inpatient Operating Room Cases	8,726	9,680	-9.9%
Outpatient Operating Room Cases	21,331	20,155	5.8%
Total Operating Room Cases	30,057	29,835	0.7%
Emergency Department Visits	98,739	93,113	6.0%
Case Mix Index (all payors using Medicare weights)	1.9788	1.9898	-0.6%
RVUs	4,145,664	3,977,649	4.2%
Outpatient Visits	955,515	922,807	3.5%

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 June 30, 2022
(Unaudited)**

ATRIUM HEALTH WAKE FOREST BAPTIST

Combined Financial Statements

Period Ended June 30, 2022

(Unaudited)

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ATRIUM HEALTH WAKE FOREST BAPTIST

Combined Balance Sheets

Dollars in thousands.

	(Unaudited) June 30, 2022	(Audited) December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 229,921	\$ 332,481
Patient receivables	346,170	357,037
Accounts, grants, and notes receivable, net	144,915	148,390
Other current assets	107,677	111,089
Total current assets	828,683	948,997
Accounts, grants, and notes receivable, net, long-term	67,796	67,688
Investments and assets whose use is limited	2,148,894	2,448,262
Property and equipment, net	1,265,531	1,284,201
Operating lease right-of-use assets, net	174,014	196,476
Goodwill	94,025	94,025
Other assets	20,771	24,218
Total assets	<u>\$ 4,599,714</u>	<u>\$ 5,063,867</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accruals	\$ 215,684	\$ 184,895
Accrued employee compensation	308,051	365,586
Amounts due to third-party payers, net	74,547	75,810
Deferred revenue	80,422	159,028
Current portion of long-term debt	158,304	158,130
Current portion of operating lease liabilities	40,399	40,833
Other current liabilities	58,983	60,157
Total current liabilities	936,390	1,044,439
Notes payable, finance leases, and line of credit, net of current portion	83,768	88,557
Bonds payable, net of current portion	710,786	727,959
Operating lease liabilities, net of current portion	141,017	162,934
Retirement benefits	91,896	96,260
Other long-term liabilities	118,737	126,781
Total liabilities	<u>2,082,594</u>	<u>2,246,930</u>
Net assets:		
Without donor restrictions:		
Wake Forest Baptist	2,118,722	2,392,791
Noncontrolling interest in affiliates	10,211	9,806
Total net assets without donor restrictions	<u>2,128,933</u>	<u>2,402,597</u>
With donor restrictions	388,187	414,340
Total net assets	<u>2,517,120</u>	<u>2,816,937</u>
Total liabilities and net assets	<u>\$ 4,599,714</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 June 30,	
	2022	2021
Changes in net assets without donor restrictions:		
Operating revenues and support		
Patient service revenue	\$ 1,614,550	\$ 1,613,561
Gifts, grants, and contracts	107,410	113,299
Net student tuition and fees	19,631	19,820
Investment return designated for current operations	17,690	15,384
Other sources	269,283	240,480
Net assets released from restrictions	26,502	19,984
Total operating revenues and support	2,055,066	2,022,528
Operating expenses		
Salaries and wages	1,053,993	947,617
Employee benefits	211,777	216,577
Purchased services	76,574	84,537
Clinical and laboratory supplies	509,348	466,893
Other operating expenses	193,547	169,232
Depreciation	81,928	72,986
Financing costs	14,940	15,259
Total operating expenses	2,142,107	1,973,101
Operating (deficiency) excess of revenues and support over expenses and losses	(87,041)	49,427
Nonoperating gains (losses)		
(Losses) gains from equity-method affiliates	(933)	6,072
Net investment (losses) gains	(190,856)	127,262
Net assets released from restrictions	-	150,000
Net gains on interest rate swap valuation	1,585	782
Pension and postretirement costs, net	157	(6,475)
Other	(867)	2,274
(Deficiency) excess of revenues and support over expenses and losses before noncontrolling interest	\$ (277,955)	\$ 329,342

ATRIUM HEALTH WAKE FOREST BAPTIST

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

Dollars in thousands.

	Period Ended June 30,	
	2022	2021
(Deficiency) excess of revenues and support over expenses and losses before noncontrolling interest	\$ (277,955)	\$ 329,342
Noncontrolling interest	(405)	(242)
(Deficiency) excess of revenues and support over expenses and losses attributable to Wake Forest Baptist	(278,360)	329,100
Pension and other postretirement net adjustments	4,291	38,747
Other	-	(614)
Change in net assets without donor restrictions attributable to Wake Forest Baptist	(274,069)	367,233
Changes in net assets with donor restrictions:		
Contributions	18,677	16,829
Investment return in excess of amounts designated for current operations	4,366	4,078
Net assets released from restrictions	(26,502)	(169,984)
Net investment (losses) gains	(22,679)	28,307
Other	(15)	(529)
Change in net assets with donor restrictions attributable to Wake Forest Baptist	(26,153)	(121,299)
Change in total net assets attributable to Wake Forest Baptist	(300,222)	245,934
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	2,506,909	2,761,237
Change in net assets attributable to noncontrolling interest	405	242
Net assets attributable to noncontrolling interest at beginning of year	9,806	9,466
Total net assets at end of year	\$ 2,517,120	\$ 2,770,945

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 June 30,	
	2022	2021
Operating activities and gains and losses		
Change in net assets	\$ (299,817)	\$ 246,176
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	81,928	72,986
Amortization of bond premium	(537)	(537)
Amortization of operating lease right-of-use assets	11,498	17,503
Losses (gains) from equity-method affiliates	933	(6,072)
Net investment losses (gains)	191,479	(175,031)
Gains in value of interest rate swaps, net	(1,585)	(782)
Losses (gains) on disposal of property and equipment	4	(6,230)
Contributions restricted for long-term investing	(4,327)	(4,517)
Changes in operating assets and liabilities:		
Patient receivables, net	10,867	(14,855)
Accounts, grants, and notes receivable, net	3,367	120,632
Other current assets	3,412	4,882
Operating lease right-of-use assets, net	10,964	92
Other assets	3,447	(5,319)
Accounts payable and accruals	30,789	24,139
Accrued employee compensation	(57,535)	59,353
Amounts due to third-party payers, net	(1,263)	27,709
Deferred revenue	(78,606)	50,878
Other current liabilities	(1,168)	1,002
Operating lease liabilities	(22,351)	(17,791)
Retirement benefits	(4,364)	(31,979)
Other long-term liabilities	(6,459)	(48,691)
Net cash (used in) provided by operating activities	<u>(129,324)</u>	<u>313,548</u>
Investing activities		
Net sales and purchases of investments	105,216	(363,077)
Acquisitions, net of cash acquired	-	(21,300)
Net additions to property and equipment	(62,982)	(45,449)
Net cash provided by (used in) investing activities	<u>42,234</u>	<u>(429,826)</u>
Financing activities		
Principal payments on debt	(20,180)	(34,152)
Payments on finance lease obligations	(1,357)	(1,833)
Contributions restricted for long-term investing	4,327	4,517
Net cash used in financing activities	<u>(17,210)</u>	<u>(31,468)</u>
Decrease in cash, cash equivalents and restricted cash	(104,300)	(147,746)
Cash, cash equivalents and restricted cash at beginning of year	338,517	555,907
Cash, cash equivalents and restricted cash at end of year	<u>\$ 234,217</u>	<u>\$ 408,161</u>
Cash and cash equivalents	\$ 229,921	\$ 396,829
Restricted cash in investments and assets whose use is limited	4,296	11,332
Total cash, cash equivalents and restricted cash	<u>\$ 234,217</u>	<u>\$ 408,161</u>

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

June 30, 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	\$ 40,886	\$ 24,401	\$ 158,353	\$ 6,281	\$ -	\$ 229,921	\$ (50,447)	\$ -	\$ 179,474
Patient receivables	188,304	74,326	80,616	2,924	-	346,170	(20,861)	-	325,309
Accounts, grants, and notes receivable, net	195,405	184,230	284,608	10,548	(529,876)	144,915	(39,379)	-	105,536
Other current assets	75,506	15,407	16,625	139	-	107,677	(5,395)	-	102,282
Total current assets	<u>500,101</u>	<u>298,364</u>	<u>540,202</u>	<u>19,892</u>	<u>(529,876)</u>	<u>828,683</u>	<u>(116,082)</u>	<u>-</u>	<u>712,601</u>
Accounts, grants, and notes receivable, net, long-term	8	17,602	50,186	-	-	67,796	-	-	67,796
Investments and assets whose use is limited	1,174,535	1,164,170	273,291	144	(463,246)	2,148,894	(88,227)	14,628	2,075,295
Property and equipment, net	558,028	371,477	326,775	9,251	-	1,265,531	(80,546)	-	1,184,985
Operating lease right-of-use assets, net	18,771	126,723	112,601	-	(84,081)	174,014	(35,379)	-	138,635
Goodwill	36,105	1,505	56,415	-	-	94,025	(92,101)	-	1,924
Other assets	7,223	12,845	703	-	-	20,771	(373)	-	20,398
Total assets	<u>\$ 2,294,771</u>	<u>\$ 1,992,686</u>	<u>\$ 1,360,173</u>	<u>\$ 29,287</u>	<u>\$ (1,077,203)</u>	<u>\$ 4,599,714</u>	<u>\$ (412,708)</u>	<u>\$ 14,628</u>	<u>\$ 4,201,634</u>
Liabilities and Net Assets									
Current liabilities:									
Accounts payable and accruals	\$ 74,591	\$ 224,905	\$ 437,484	\$ 7,247	\$ (528,543)	\$ 215,684	\$ (159,244)	\$ -	\$ 56,440
Accrued employee compensation	67,753	199,971	39,953	374	-	308,051	(11,651)	-	296,400
Amounts due to third-party payers, net	72,478	246	1,823	-	-	74,547	960	-	75,507
Deferred revenue	26,676	53,607	11,546	80	(11,487)	80,422	(412)	-	80,010
Current portion of long-term debt	93,484	11,281	52,313	1,226	-	158,304	(1,444)	-	156,860
Current portion of operating lease liabilities	4,577	23,725	16,621	-	(4,524)	40,399	(11,240)	-	29,159
Other current liabilities	35,090	17,044	6,280	69	500	58,983	(6,231)	-	52,752
Total current liabilities	<u>374,649</u>	<u>530,779</u>	<u>566,020</u>	<u>8,996</u>	<u>(544,054)</u>	<u>936,390</u>	<u>(189,262)</u>	<u>-</u>	<u>747,128</u>
Notes payable, finance leases, and line of credit, net of current portion	14,810	40,559	25,286	3,113	-	83,768	(24,209)	-	59,559
Bonds payable, net of current portion	381,947	119,950	208,889	-	-	710,786	-	-	710,786
Operating lease liabilities, net of current portion	13,732	107,950	87,405	-	(68,070)	141,017	(25,218)	-	115,799
Retirement benefits	72,365	19,105	426	-	-	91,896	(426)	-	91,470
Other long-term liabilities	46,464	60,934	13,123	49	(1,833)	118,737	(6,115)	-	112,622
Total liabilities	<u>903,967</u>	<u>879,277</u>	<u>901,149</u>	<u>12,158</u>	<u>(613,957)</u>	<u>2,082,594</u>	<u>(245,230)</u>	<u>-</u>	<u>1,837,364</u>
Net assets:									
Without donor restrictions:									
Wake Forest Baptist	1,359,485	825,472	367,714	17,129	(451,078)	2,118,722	(167,011)	23,877	1,975,588
Noncontrolling interest in affiliates	21,418	961	-	-	(12,168)	10,211	-	(9,249)	962
Total net assets without donor restrictions	<u>1,380,903</u>	<u>826,433</u>	<u>367,714</u>	<u>17,129</u>	<u>(463,246)</u>	<u>2,128,933</u>	<u>(167,011)</u>	<u>14,628</u>	<u>1,976,550</u>
With donor restrictions	<u>9,901</u>	<u>286,976</u>	<u>91,310</u>	<u>-</u>	<u>-</u>	<u>388,187</u>	<u>(467)</u>	<u>-</u>	<u>387,720</u>
Total net assets	<u>1,390,804</u>	<u>1,113,409</u>	<u>459,024</u>	<u>17,129</u>	<u>(463,246)</u>	<u>2,517,120</u>	<u>(167,478)</u>	<u>14,628</u>	<u>2,364,270</u>
Total liabilities and net assets	<u>\$ 2,294,771</u>	<u>\$ 1,992,686</u>	<u>\$ 1,360,173</u>	<u>\$ 29,287</u>	<u>\$ (1,077,203)</u>	<u>\$ 4,599,714</u>	<u>\$ (412,708)</u>	<u>\$ 14,628</u>	<u>\$ 4,201,634</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 June 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	\$ 842,136	\$ 358,672	\$ 402,915	\$ 10,827	\$ -	\$ 1,614,550	\$ (118,710)	\$ -	\$ 1,495,840
Gifts, grants, and contracts	996	105,888	755	-	(229)	107,410	(836)	-	106,574
Net student tuition and fees	1,184	18,447	-	-	-	19,631	-	-	19,631
Investment return designated for current operations	737	16,075	716	162	-	17,690	(891)	-	16,799
Other sources	240,009	139,315	18,173	83	(128,297)	269,283	(40,437)	-	228,846
Net assets released from restrictions	226	24,298	1,978	-	-	26,502	(3)	-	26,499
Total operating revenues and support	1,085,288	662,695	424,537	11,072	(128,526)	2,055,066	(160,877)	-	1,894,189
Operating expenses:									
Salaries and wages	413,845	433,981	201,358	2,618	2,191	1,053,993	(76,546)	-	977,447
Employee benefits	84,443	89,219	37,024	531	560	211,777	(14,993)	-	196,784
Purchased services	147,258	32,312	13,592	2,169	(118,757)	76,574	(4,820)	-	71,754
Clinical and laboratory supplies	357,251	60,316	90,976	805	-	509,348	(22,352)	-	486,996
Other operating expenses	76,679	73,814	53,741	1,833	(12,520)	193,547	(44,956)	-	148,591
Depreciation	47,560	17,871	15,725	772	-	81,928	(3,449)	-	78,479
Financing costs	6,661	3,591	4,625	63	-	14,940	(500)	-	14,440
Total operating expenses	1,133,697	711,104	417,041	8,791	(128,526)	2,142,107	(167,616)	-	1,974,491
Operating (deficiency) excess of revenues and support over expenses and losses	(48,409)	(48,409)	7,496	2,281	-	(87,041)	6,739	-	(80,302)
Nonoperating gains (losses)									
(Losses) gains from equity-method affiliates	(1,163)	(4,089)	475	-	3,844	(933)	(229)	(9,623)	(10,785)
Net investment (losses) gains	(126,723)	(51,780)	(11,788)	(565)	-	(190,856)	10,875	-	(179,981)
Net gains on interest rate swap valuation	-	1,585	-	-	-	1,585	-	-	1,585
Pension and postretirement costs, net	(84)	(46)	287	-	-	157	(287)	-	(130)
Other	(254)	(70)	(282)	(1,046)	785	(867)	1,048	(784)	(603)
(Deficiency) excess of revenues and support over expenses and losses before noncontrolling interest	(176,633)	(102,809)	(3,812)	670	4,629	(277,955)	18,146	(10,407)	(270,216)

⁽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 June 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	\$ (176,633)	\$ (102,809)	\$ (3,812)	\$ 670	\$ 4,629	\$ (277,955)	\$ 18,146	\$ (10,407)	\$ (270,216)
Noncontrolling interest	(380)	(78)	-	-	53	(405)	-	326	(79)
Excess of revenues and support over expenses and losses attributable to WFB	(177,013)	(102,887)	(3,812)	670	4,682	(278,360)	18,146	(10,081)	(270,295)
Pension and postretirement net adjustments	-	4,291	-	-	-	4,291	-	-	4,291
Change in net assets without donor restrictions	(177,013)	(98,596)	(3,812)	670	4,682	(274,069)	18,146	(10,081)	(266,004)
Changes in net assets with donor restrictions:									
Contributions	1	18,444	232	-	-	18,677	620	-	19,297
Investment return in excess of amounts designated for current operations	58	4,308	-	-	-	4,366	-	-	4,366
Net assets released from restrictions	(226)	(24,298)	(1,978)	-	-	(26,502)	3	-	(26,499)
Net investment gains	(553)	(22,126)	-	-	-	(22,679)	-	-	(22,679)
Other	(21)	8	(2)	-	-	(15)	-	-	(15)
Change in net assets with donor restrictions	(741)	(23,664)	(1,748)	-	-	(26,153)	623	-	(25,530)
Change in net assets attributable to WFB	(177,754)	(122,260)	(5,560)	670	4,682	(300,222)	18,769	(10,081)	(291,534)
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	1,369,386	1,112,448	459,024	17,129	(451,078)	2,506,909	(167,478)	23,877	2,363,308
Change in net assets attributable to noncontrolling interest	380	78	-	-	(53)	405	-	(326)	79
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	\$ 1,390,804	\$ 1,113,409	\$ 459,024	\$ 17,129	\$ (463,246)	\$ 2,517,120	\$ (167,478)	\$ 14,628	\$ 2,364,270

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