

IJKG Opco, LLC

IJKG Opco, LLC- Bayonne Hospital Center

IJKG Propco, LLC

Bayonne Radonc Associates LLC

CONSOLIDATED

FINANCIAL STATEMENTS

DECEMBER 2022

** New lease standard is not reflected on this version*

Balance Sheets - Consolidated

(in thousands)

	31-Dec 2022	31-Dec 2021
	(Unaudited)	(Unaudited)
<u>Assets</u>		
Current Assets:		
Cash and cash equivalents - Unrestricted	187	5,769
Cash and cash equivalents - Restricted	8,101	26,771
Net Patient accounts receivable	36,977	26,487
Investments	1,074	1,074
Other receivables	0	0
Due From Related Party	14,278	26,453
Inventory & Other Assets	3,384	2,483
Prepaid expenses	305	1,736
Total current assets	64,305	90,773
Intangible Assets	-	-
Property and equipment, net	22,150	27,611
Total Assets, Deferred Cost & Equipment	22,150	27,611
Total Assets	\$ 86,455	\$ 118,384
<u>Liabilities and Member's Equity</u>		
Current Liabilities:		
Current portion of Capitalized leases	4,203	5,712
Accounts payable and accrued expenses	21,038	11,756
Malpractice Reserve	-	-
Accrued Compensation	4,183	3,748
Benefits Payable-Current Portion	-	-
Due to Related Party	-	(0)
Loan Payable - MAPLE	10,068	10,068
Loan Payable - CAPITALA	3,002	-
Line of credit - CAPSOURCE	-	-
Deferred Revenue	299	15,016
Accrued interest payable	-	-
Due to Third Party-Current Portion	618	292
Total current liabilities	43,411	46,592
Long Term Liabilities:		
Capital Lease Payable, less current portion	15,784	19,789
Long Term Debt, less current portion	-	-
Due to Third Party, less current portion	4,933	15,723
Benefits Payable, less current portion	-	-
Long-term debt, less current portion	-	-
Total liabilities	64,128	82,104
Member's Equity:		
Member's Equity (Net)	22,328	36,281
Total Member's Equity	22,328	36,281
Total Liabilities and Member's Equity	\$ 86,455	\$ 118,384

LUKG OPCO, LLC d/b/a Bayonne Hospital Center
Statement of Operations (unaudited)
(in thousands)

Actual	Month ended December 31, 2022			PY-2021		
	%	Budget	%	Variance		%
13,906	92.72%	15,308	99.53%	(1,902)	9,040	87.12%
1,048	6.99%	37	0.23%	1,012	1,299	12.52%
44	0.29%	38	0.24%	6	38	0.36%
14,988	100.00%	15,882	100.00%	(884)	10,377	100.00%
5,588	37.26%	4,917	30.96%	(672)	5,765	55.56%
8,224	54.83%	6,959	43.82%	(1,265)	8,868	85.47%
965	6.43%	805	5.07%	(159)	369	3.55%
14,777	98.53%	12,682	79.85%	(2,095)	15,002	144.58%
221	1.47%	3,200	20.15%	(2,978)	(4,626)	-44.58%
-	0.00%	(40)	-0.25%	(40)	(817)	-7.87%
407	2.71%	369	2.32%	(38)	245	2.36%
605	4.03%	516	3.25%	(89)	470	4.53%
1,011	6.74%	845	5.32%	(167)	(102)	-0.98%
(780)	-5.27%	2,355	14.83%	(3,146)	(4,524)	-43.60%
-	0.00%	-	0.00%	-	-	0.00%
(790)	-5.27%	2,355	14.83%	(3,146)	(4,524)	-43.60%

Note: Provision for Doubtful Accounts was included as an offset to revenue rather than as an expense.

	YTD Ended December 31, 2022			PY-2021		
	Actual	%	Budget	%	Variance	%
Operating Revenues						
Net patient service revenue	142,749	88.97%	159,880	97.91%	(17,131)	85.29%
Other operating revenue	20,900	12.73%	2,853	1.81%	17,947	14.38%
Charity Care	489	0.30%	452	0.28%	37	0.33%
Total Revenues	164,138	100.00%	163,285	100.00%	853	100.00%
Operating Expenses						
Salaries and wages	66,467	40.49%	57,734	35.36%	(8,733)	37.10%
Supplies/Other Expenses	90,535	55.16%	88,589	52.42%	(1,946)	56.24%
Employee benefits	10,362	6.31%	9,486	5.81%	(876)	4.85%
Provision for doubtful accounts	-	-	-	-	-	-
Total Operating Expenses before Int. Depr. Amort & Lease	167,364	101.97%	155,809	93.58%	(14,554)	98.18%
Operating Income / (Loss) before Int. Depr. Amort & Lease	(3,226)	-1.97%	10,475	6.42%	(13,701)	1.82%
Lease						
Affiliated Interest Income (Expense)	(208)	-0.13%	(485)	-0.30%	(277)	-0.96%
Interest Expense	4,704	2.87%	4,431	2.71%	(273)	2.83%
Depreciation and Amortization	6,231	3.80%	6,193	3.79%	(38)	4.05%
Total Int. Depr. Amort & Lease	10,727	6.54%	10,139	6.21%	(588)	5.91%
Total Operating Income / (Loss)	(13,953)	-8.50%	337	0.21%	(14,290)	-4.10%
Minority Interest	-	0.00%	-	0.00%	-	0.00%
Total Minority Interest	-	0.00%	-	0.00%	-	0.00%
Net Income (Loss)	(13,953)	-8.50%	337	0.21%	(14,290)	-4.10%

IJKG OPCO LLC (CONSOLIDATED)
STATEMENT OF CASH FLOWS (unaudited)
As of December 31, 2022
(\$ thousands)

Cash Flows From Operating Activities:

Income/(loss) from operations

Adjustments to reconcile increase in net assets to cash provided by operating activities:

Depreciation & Amortization

Prior Period Adjustments

Gain on Sales

Change in operating assets and liabilities:

(Increase)/decrease in patient accounts receivable

(Increase)/decrease in other receivables

(Increase)/decrease in prepaid expenses and deposits

(Increase)/decrease in Due From Related Party (Other Receivable)

(Increase)/decrease in inventory and other assets

(Increase)/decrease in Deferred Charges

Increase/(decrease) in accounts payable, and other accrued expenses

Increase/(decrease) in Due to Related Party

Increase/(decrease) in Deferred Revenue

Increase/(decrease) in accrued compensation

Increase/(decrease) in benefit payable

Increase/(decrease) in accrued interest payable

Increase/(decrease) in estimated third-party payer settlements

Increase/(decrease) in other liabilities (Malpractice)

Net cash provided by/(used in) operating activities

Cash Flows From Investing Activities:

Acquisitions of JV

Intangible Assets

Gain on Sales

Acquisitions of property, plant, and equipment

Net cash provided by/(used in) investing activities

Cash Flows From Financing Activities:

Capital Contributions

Proceeds from Financing, net of payments (Maple)

Proceeds from Financing, net of payments(B.Riley FBR)

Proceeds from line of credit, net of payments

Proceeds from long-term debt

Principal payments of long-term debt

Payment of Dividends

Repayment of capital lease obligation

Net cash provided by/(used in) financing activities

Net increase/(decrease) in cash and cash equivalents

Cash and cash equivalents at beginning of period

Cash and cash equivalents at end of period

	MTD December-22 <u>IJKG Opco LLC</u>	YTD December-22 <u>IJKG Opco LLC</u>
	\$ (790)	\$ (13,953)
	\$ 605	\$ 6,231
	\$ (1,719)	\$ (10,490)
	\$ -	\$ -
	\$ 160	\$ 1,431
	\$ 1,942	\$ 12,175
	\$ (615)	\$ (901)
	\$ -	\$ -
	\$ 1,475	\$ 9,282
	\$ -	\$ -
	\$ (44)	\$ (14,717)
	\$ (367)	\$ 434
	\$ -	\$ -
	\$ -	\$ -
	\$ (1,602)	\$ (10,464)
	\$ -	\$ -
	<u>\$ (955)</u>	<u>\$ (20,971)</u>
	\$ -	\$ -
	\$ -	\$ -
	\$ -	\$ -
	<u>\$ (29)</u>	<u>\$ (770)</u>
	<u>\$ (29)</u>	<u>\$ (770)</u>
	\$ -	\$ -
	\$ -	\$ -
	\$ 1	\$ 3,002
	\$ -	\$ -
	\$ -	\$ -
	\$ -	\$ -
	\$ -	\$ -
	\$ (420)	\$ (5,514)
	<u>\$ (419)</u>	<u>\$ (2,512)</u>
	\$ (1,402)	\$ (24,252)
	\$ 9,690	\$ 32,540
	<u><u>\$ 8,288</u></u>	<u><u>\$ 8,288</u></u>

December 2022 Expense Comparison

December 2022 vs. December 2022 Budget

Type	Dec-22 <u>ACTUAL</u>	Dec-22 <u>BUDGET</u>	Dec-22 <u>VARIANCE</u>	Dec-22 <u>YTD ACTUAL</u>	Dec-22 <u>YTD BUDGET</u>	Dec-22 <u>YTD VARIANCE</u>
Salaries and Wages	4,357,588	4,438,210	80,622	52,331,410	52,256,345	75,065
Contract Labor	1,230,881	478,650	(752,231)	14,135,264	5,477,389	8,657,875
Salaries, Wages and Contract Labor	5,588,469	4,916,860	(671,609)	66,466,674	57,733,734	8,732,940
Policy Fringe Benefits	530,011	387,806	(142,205)	5,576,822	4,566,103	1,010,719
Taxes	434,548	417,864	(16,683)	4,785,477	4,920,016	(134,539)
Total Fringe Benefits	964,559	805,670	(158,889)	10,362,300	9,486,119	(876,180)
Consulting Fees/Purch Services	893,779	982,302	88,522	10,419,054	12,202,719	1,783,665
Billing Fees-Ensemble	377,756	294,430	(83,327)	4,109,945	4,260,870	150,925
Physician Related	378,600	248,340	(130,260)	4,028,839	2,980,086	(1,048,753)
Physician Related-Quality	1,361,529	1,278,868	(82,661)	14,448,422	16,903,442	2,455,020
Property Taxes	94,885	98,911	4,026	1,141,030	1,186,933	45,903
Medical Surgical Supplies	2,575,130	1,701,358	(873,772)	29,817,583	20,416,294	(9,401,289)
Liability and W/C Insurance	337,651	290,404	(47,247)	3,099,632	3,237,694	138,062
Rent, Maintenance, Repairs	336,226	382,625	46,400	4,663,465	4,591,502	(71,963)
Utilities	224,615	181,366	(43,249)	2,855,306	2,135,440	(719,866)
Pharmaceuticals	457,217	365,116	(92,101)	2,782,594	4,417,569	1,634,974
Management Fee	786,256	791,642	5,386	10,451,746	9,499,698	(952,047)
All Other Supply	400,599	344,098	(56,502)	2,716,954	3,757,253	1,040,300
Total Supplies and Other	8,224,243	6,959,459	(1,264,784)	90,534,569	85,589,499	(4,945,070)
Affiliated Interest (Income) Expense	-	(40,408)	(40,408)	(207,654)	(484,896)	(277,243)
Interest	406,747	369,230	(37,517)	4,704,264	4,430,764	(273,500)
Depreciation	604,652	516,055	(88,597)	6,230,793	6,192,660	(38,133)
Lease, Interest, Depreciation	1,011,400	844,877	(166,522)	10,727,404	10,138,528	(588,876)
Grand Total	15,788,671	13,526,866	(2,261,804)	178,090,947	162,947,880	(15,143,067)

December 2022 Actual vs. December 2021 Actual

Variance-Type	Dec-22 <u>ACTUAL</u>	Dec-21 <u>ACTUAL</u>	2022 vs 2021 <u>VARIANCE</u>	Dec-22 <u>ytd ACTUAL</u>	Dec-21 <u>ytd ACTUAL</u>	2022 vs 2021 <u>Variance</u>
Salaries and Wages	4,357,588	5,011,376	(653,789)	52,331,410	52,113,562	217,848
Contract Labor	1,230,881	753,941	476,940	14,135,264	6,024,613	8,110,651
Salaries, Wages and Contract Labor	5,588,469	5,765,317	(176,848)	66,466,674	58,138,175	8,328,499
Policy Fringe Benefits	530,011	465,866	64,145	5,576,822	3,435,567	2,141,255
Taxes	434,548	(97,066)	531,613	4,785,477	4,161,477	624,000
Total Fringe Benefits	964,559	368,801	595,758	10,362,300	7,597,044	2,765,255
Consulting Fees/Purch Services	893,779	2,104,408	(1,210,629)	10,419,054	15,285,161	(4,866,107)
Billing Fees-Ensemble	377,756	431,831	(54,075)	4,109,945	4,338,960	(229,015)
Physician Related	378,600	312,033	66,567	4,028,839	3,230,441	798,398
Physician Related-Quality	1,361,529	219,028	1,142,501	14,448,422	15,727,127	(1,278,705)
Property Taxes	94,885	18,814	76,071	1,141,030	1,046,025	95,005
Medical Surgical Supplies	2,575,130	1,784,650	790,480	29,817,583	19,866,845	9,950,738
Liability and W/C Insurance	337,651	477,835	(140,184)	3,099,632	3,372,266	(272,634)
Rent, Maintenance, Repairs	336,226	515,621	(179,396)	4,663,465	4,672,411	(8,946)
Utilities	224,615	164,533	60,083	2,855,306	2,334,016	521,290
Pharmaceuticals	457,217	1,315,345	(858,129)	2,782,594	5,528,532	(2,745,938)
Management Fee	786,256	850,116	(63,860)	10,451,746	10,281,968	169,777
All Other Supply	400,599	674,129	(273,530)	2,716,954	2,448,620	268,333
Total Supplies and Other	8,224,243	8,868,343	(644,100)	90,534,569	88,132,372	2,402,198
Affiliated Interest (Income) Expense	-	(816,825)	816,825	(207,654)	(1,507,598)	1,299,945
Interest	406,747	245,063	161,684	4,704,264	4,434,457	269,807
Depreciation	604,652	469,786	134,866	6,230,793	6,342,426	(111,633)
Lease, Interest, Depreciation	1,011,400	(101,976)	1,113,375	10,727,404	9,269,285	1,458,119
Grand Total	15,788,671	14,900,485	888,186	178,090,947	163,136,876	14,954,070

Bayonne Medical Center
Statistics by Service and Payer
December-22

<u>December</u>	<u>December</u>	<u>December</u>	<u>December</u>	<u>December</u>
<u>Month</u>	<u>Month</u>	<u>Month</u>	<u>Month</u>	<u>Month</u>
<u>2022</u>	<u>2022</u>	<u>2022</u>	<u>2021</u>	<u>2021</u>
<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Actual</u>	<u>Variance</u>
357	507	(150)	348	9
357	507	(150)	348	9
357	507	(150)	348	9
32	35	(3)	27	5
		-		-
389	542	(153)	375	14

2,482	2,677	(195)	1,907	575
2,482	2,677	(195)	1,907	575
2,482	2,677	(195)	1,907	575
292	273	19	209	83
		-		-
2,774	2,950	(176)	2,116	658

6.95	5.28	1.67	5.48	1.47
-	-	-	-	-
-	-	-	-	-
6.95	5.28	1.67	5.48	1.47
9.13	7.80	1.33	7.74	1.38
		-	-	-
7.13	5.44	1.69	5.64	1.49

143	209	(66)	147	(4)
89	127	(38)	83	6
36	47	(11)	31	5
9	8	1	-	9
9	7	2	-	9
4	4	-	-	4
16	30	(14)	27	(11)
13	6	7	4	9
58	83	(25)	65	(7)
12	21	(9)	18	(6)
389	542	(153)	375	14
97%	96%		95%	
60%	62%		61%	
19%	18%		15%	
18%	16%		18%	
3%	4%		5%	

914	1,129	(215)	887	27
783	718	65	488	295
266	251	15	154	112
39	41	(2)	-	39
52	49	3	-	52
10	14	(4)	-	10
63	128	(65)	143	(80)
134	55	79	65	69
467	442	25	286	181
46	123	(77)	93	(47)
2,774	2,950	(176)	2,116	658
98%	96%		96%	
61%	63%		65%	
16%	16%		14%	
22%	17%		17%	
2%	4%		4%	

1,914	2,017	(103)	2,412	(498)
371	371	-	346	25
128	161	(33)	138	(10)
685	-	685	681	4

Discharges by Service

Medical-Surgical	
Med/Surg Sub Total	
Acute Subtotal	
Behavioral	
TCU	
Total Inpatient	

Patient Days by Service

Medical-Surgical	
Med/Surg Sub Total	
Acute Subtotal	
Behavioral	
TCU	
Total Inpatient	

ALOS by Service

Medical-Surgical	
ICU	
Pediatrics	
Acute Subtotal	
Psychiatry/Behavioral	
TCU	
Inpatient Subtotal	

Discharges by Payer Group

Medicare	
Medicare HMO	
Horizon/Blue Cross	
United Healthcare	
Aetna	
Cigna	
Commercial/Managed Care	
Medicaid	
Medicaid HMO	
Self Pay/Charity *	
Total Inpatient Discharges	
% of Discharges (Excl.Sp/Charity)	
% of Discharges (Medicare/Medicare HMO)	
% of Discharges (Horizon/Comm/Man Care)	
% of Discharges (Medicaid/Medicaid HMO)	
% of Discharges (SP/Charity)	

Patient Days by Payer Group

Medicare	
Medicare Managed Care	
Horizon/Blue Cross	
United Healthcare	
Aetna	
Cigna	
Commercial/Managed Care	
Medicaid	
Medicaid Managed Care	
Self-Pay/Charity	
Total Inpatient Days	
% of Days (Excl.Sp/Charity)	
% of Days (Medicare/Medicare HMO)	
% of Days (Horizon/Comm/Man Care)	
% of Discharges (Medicaid/Medicaid HMO)	
% of Days (SP/Charity)	

ER Visits	
ER Admits	
Observation	
FTE	

<u>December</u>	<u>December</u>	<u>December</u>	<u>December</u>	<u>December</u>
<u>YTD</u>	<u>YTD</u>	<u>YTD</u>	<u>YTD</u>	<u>YTD</u>
<u>2022</u>	<u>2022</u>	<u>2022</u>	<u>2021</u>	<u>2021</u>
<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Actual</u>	<u>Variance</u>
3,773	5,212	(1,439)	4,007	(234)
3,773	5,212	(1,439)	4,007	(234)
3,773	5,212	(1,439)	4,007	(234)
365	498	(133)	434	(69)
-	-	-	129	(129)
4,138	5,710	(1,572)	4,570	(432)

21,364	27,824	(6,460)	21,556	(192)
21,364	27,824	(6,460)	21,556	(192)
21,364	27,824	(6,460)	21,556	(192)
2,802	9,918	(1,116)	9,284	(482)
-	-	-	929	(929)
24,166	31,742	(7,576)	25,769	(1,603)

5.66	5.34	0.32	5.38	0.28
-	-	-	-	-
-	-	-	-	-
5.66	5.34	0.32	5.38	0.28
7.68	7.87	(0.19)	7.57	0.11
-	-	-	7.20	(7.20)
5.84	5.56	0.28	5.64	0.20

1,516	2,144	(628)	1,722	(206)
927	1,245	(318)	937	(10)
368	541	(173)	424	(56)
55	55	-	-	55
60	52	8	-	60
41	45	(4)	-	41
229	396	(167)	395	(166)
76	61	15	74	2
689	917	(228)	804	(115)
177	254	(77)	214	(37)
4,138	5,710	(1,572)	4,570	(432)
98%	96%		95%	
59%	59%		58%	
18%	19%		18%	
18%	17%		19%	
4%	4%		5%	

8,950	11,771	(2,821)	9,548	(598)
6,100	7,202	(1,102)	5,686	414
1,845	2,936	(1,091)	2,302	(457)
336	286	50	-	336
345	367	(22)	-	345
168	179	(11)	-	168
843	1,800	(957)	1,970	(1,127)
728	519	204	625	98
3,984	5,119	(1,135)	4,433	(449)
872	1,563	(691)	1,205	(333)
24,166	31,742	(7,576)	25,769	(1,603)
96%	95%		95%	
62%	60%		59%	
15%	18%		17%	
19%	18%		20%	
4%	5%		5%	

21,859	16,041	5,818	21,466	393
3,935	3,935	-	4,179	(244)
1,750	1,835	(85)	1,690	60
671	-	671	674	(3)

IJKG Opco, LLC

IJKG Opco, LLC (dba Bayonne Medical Center)

IJKG Propco, LLC

Bayonne Radonc Associates LLC

**CONSOLIDATED
FINANCIAL STATEMENTS**

November 30, 2023

DRAFT

IJKG Opco, LLC (Consolidated)
d/b/a Bayonne Medical Center
Balance Sheets - Consolidated
(in thousands)

	<u>30-Nov</u> <u>2023</u>	<u>31-Dec</u> <u>2022</u>
<u>Assets</u>		
Current Assets:		
Cash and cash equivalents	\$ 804	\$ 536
Cash and cash equivalents - Restricted	8,044	7,752
Net patient accounts receivable, current portion	24,977	27,183
Investments	1,074	1,074
Due from related party	2,484	14,278
Inventory & Other assets	3,274	3,384
Prepaid expenses	380	305
Total Current Assets	<u>41,037</u>	<u>54,511</u>
Non-Current Assets:		
Net patient accounts receivable, long term portion	5,955	9,794
	<u>5,955</u>	<u>9,794</u>
Intangible assets		
Right of use assets	8,713	13,352
Property and equipment, net	10,010	11,232
Net Assets, Deferred Cost & Equipment	<u>18,723</u>	<u>24,584</u>
Total Assets	<u>\$ 65,715</u>	<u>\$ 88,889</u>
<u>Liabilities and Member's Equity</u>		
Current Liabilities:		
Lease Liability, current portion	\$ 7,143	\$ 6,215
Accounts payable and accrued expenses	39,184	20,878
Accrued Compensation	4,027	4,183
Loan payable - Capitala	6,120	3,002
Loan payable - Maple	10,068	10,068
Deferred revenue	95	299
Accrued interest payable	563	160
Due to third party, current portion	618	618
Total Current Liabilities	<u>67,818</u>	<u>45,422</u>
Long Term Liabilities:		
Lease liability less current portion	8,206	16,206
Due to Third Party, less current portion	7,740	4,933
Total Liabilities	<u>83,764</u>	<u>66,561</u>
Member's Equity:		
Member's Equity (Net)	(18,049)	22,328
Total Member's Equity	<u>(18,049)</u>	<u>22,328</u>
Total Liabilities and Member's Equity	<u>\$ 65,715</u>	<u>\$ 88,889</u>

IJKG Opco, LLC (Consolidated)
d/b/a Bayonne Medical Center
Statement of Operations (unaudited)
(In thousands)

Month ended November 30, 2023				
Actual	%	Budget	Variance	PY-2022
8,212	95.77%	13,924	(5,712)	10,909
85	0.99%	21	64	77
278	3.24%	67	211	44
8,575	100.00%	14,012	(5,437)	11,030
5,295	61.76%	4,576	721	5,679
6,195	72.24%	6,969	(774)	6,955
419	4.89%	797	(378)	322
11,911	138.90%	12,342	(431)	12,955
(3,335)	-38.90%	1,670	(5,005)	(1,926)
321	3.74%	368	(48)	408
635	7.42%	507	129	619
957	11.15%	875	82	1,026
(4,292)	-50.05%	795	(5,087)	(2,952)
592	6.90%	-	592	-
(3,700)	-43.15%	1,086	(4,495)	(2,952)

YTD Ended November 30, 2023				
Actual	%	Budget	Variance	PY-2022
103,775	96.07%	150,839	(47,063)	128,843
3,752	3.47%	2,629	1,123	19,852
488	0.45%	733	(245)	445
108,015	100.00%	154,201	(46,186)	149,140
Operating Revenues				
Net patient service revenue	97.82%			86
Other operating revenue	1.71%			13
Charity care	0.48%			0
Total Revenues	100.00%			100
Operating Expenses				
Salaries and wages	55.22%	49,560	10,084	56
Supplies/Other expenses	56.02%	75,332	(4,019)	53
Employee benefits	6.91%	6,878	(1,419)	6
Provision for doubtful accounts				
Total Operating Expenses before Int. Depr	128.15%	133,770	4,647	100
(30,401)	-28.15%	20,431	(50,832)	(1,483)
5,266	0.00%	-		(208)
7,266	4.87%	4,051	1,215	4,396
	6.73%	5,574	1,692	7,492
12,531	11.60%	9,625	2,907	11,680
(42,933)	-39.75%	10,806	(53,739)	(13,163)
2,385	2.21%	-	2,385	-
(40,548)	-37.54%	10,806	(51,354)	(13,163)
Operating Income / (Loss) before Int. Depr				
Total Int. Depr				
Total Operating Income / (Loss)				
Income (Loss) of Non-Recurring Reserve				
Net Income (Loss)				

IJKG Opco, LLC (Consolidated)
d/b/a Bayonne Medical Center
STATEMENT OF CASH FLOWS (unaudited)
DRAFT
(in thousands)

Cash Flows From Operating Activities:

Income/(loss) from operations

Adjustments to reconcile increase in net assets to cash provided by operating activities:

Depreciation & Amortization

Change in operating assets and liabilities:

(Increase)/decrease in patient accounts receivable

(Increase)/decrease in prepaid expenses and deposits

(Increase)/decrease in Due From Related Party

(Increase)/decrease in inventory and other assets

Increase/(decrease) in accounts payable, and other accrued expenses

Increase/(decrease) in Deferred Revenue

Increase/(decrease) in accrued compensation

Increase/(decrease) in accrued interest payable

Increase /(decrease) in estimated third-party payer settlements

Net cash provided by/(used in) operating activities

Cash Flows From Investing Activities:

Acquisitions of property, plant, and equipment

Net cash provided by/(used in) investing activities

Cash Flows From Financing Activities:

Proceeds from Financing, net of payments (Capitala)

Payment of Dividends

Repayment of capital lease obligation

Net cash provided by/(used in) financing activities

Net increase/(decrease) in cash and cash equivalents

Cash and cash equivalents at beginning of period

Cash and cash equivalents at end of period

	MTD	YTD
	November-23	November-23
	<u>IJKG Opco LLC</u>	<u>IJKG Opco LLC</u>
	\$ (3,700)	\$ (40,548)
	636	7,266
	1,966	6,045
	80	(75)
	618	11,843
	(14)	110
	1,325	18,306
	(278)	(204)
	(767)	(15)
	122	403
	(46)	2,807
	<u>(58)</u>	<u>5,938</u>
	(184)	(1,405)
	<u>(184)</u>	<u>(1,405)</u>
	-	3,118
	-	(20)
	(650)	(7,071)
	<u>(650)</u>	<u>(3,973)</u>
	(892)	560
	9,740	8,288
	<u>\$ 8,848</u>	<u>\$ 8,848</u>

UVA Daytime Medical Center
November 2023 Expense Comparison

November 2023 vs. November 2023 Budget

	<u>Nov-23 ACTUAL</u>	<u>Nov-23 BUDGET</u>	<u>Nov-23 VARIANCE</u>	<u>Nov-23 YTD ACTUAL</u>	<u>Nov-23 YTD BUDGET</u>	<u>Nov-23 YTD VARIANCE</u>
Salaries and Wages	5,022,977	4,068,835	(954,142)	52,456,121	45,299,694	7,156,427
Contract Labor	273,284	506,911	233,627	7,188,114	4,260,350	2,927,764
Salaries, Wages and Contract Labor	5,296,262	4,575,746	(720,516)	59,644,235	49,560,044	10,084,190
Policy Fringe Benefits	39,270	407,987	368,716	3,161,135	4,542,254	(1,381,119)
Taxes	379,982	389,442	9,461	4,298,210	4,335,792	(37,581)
Total Fringe Benefits	419,252	797,429	378,177	7,459,346	8,878,046	1,418,700
Consulting Fees/Purch Services	1,266,465	1,021,932	(244,533)	9,145,284	11,241,248	2,095,964
Billing Fees-Ensemble	248,862	159,280	(89,582)	2,382,257	2,528,819	146,562
Physician Related	246,502	306,604	60,101	3,361,856	3,372,639	10,783
Physician Related-Quality	804,957	1,141,908	336,952	13,302,600	12,205,768	(1,096,832)
Property Taxes	65,972	88,439	22,467	931,729	972,827	41,098
Medical Surgical Supplies	1,308,761	1,709,448	400,687	19,006,947	18,803,927	(203,020)
Liability and W/C Insurance	454,476	356,710	(97,766)	3,252,160	2,089,319	(1,162,841)
Rent, Maintenance, Repairs	101,139	392,378	291,239	1,462,403	4,316,157	2,853,754
Utilities	287,299	261,027	(26,272)	3,003,629	2,906,096	(97,533)
Pharmaceuticals	394,134	402,971	8,837	3,608,143	4,486,408	878,265
Management Fee	731,447	723,349	(8,098)	9,194,814	7,956,840	(1,237,974)
All Other Supply	285,024	404,708	119,684	2,661,027	4,451,790	1,790,763
Total Supplies and Other	6,195,038	6,968,752	773,714	71,312,850	75,331,839	4,018,989
Interest	320,654	368,241	47,587	5,265,726	4,050,649	(1,215,076)
Depreciation	635,858	506,739	(129,119)	7,265,692	5,574,132	(1,691,560)
Lease, Interest, Depreciation	956,512	874,980	(81,532)	12,531,417	9,624,781	(2,906,636)
Grand Total	12,867,063	13,216,907	349,844	150,947,848	143,394,711	(7,553,137)

October 2023 Actual vs. October 2022 Actual

	<u>Nov-23 ACTUAL</u>	<u>Nov-22 ACTUAL</u>	<u>2023 vs 2022 VARIANCE</u>	<u>Nov-23 YTD ACTUAL</u>	<u>Nov-22 YTD ACTUAL</u>	<u>2023 vs 2022 Variance</u>
Salaries and Wages	5,022,977	4,143,566	879,411	52,456,121	47,973,822	4,482,299
Contract Labor	273,284	1,535,407	(1,262,123)	7,188,114	12,904,383	(5,716,269)
Salaries, Wages and Contract Labor	5,296,262	5,678,973	(382,712)	59,644,235	60,878,205	(1,233,970)
Policy Fringe Benefits	39,270	20,363	18,907	3,161,135	5,046,811	(1,885,676)
Taxes	379,982	301,464	78,518	4,298,210	4,350,930	(52,719)
Total Fringe Benefits	419,252	321,827	97,425	7,459,346	9,397,741	(1,938,395)
Consulting Fees/Purch Services	1,266,465	878,787	387,678	9,145,284	9,525,275	(379,990)
Billing Fees	248,862	235,075	13,787	2,382,257	3,732,189	(1,349,932)
Physician Related	246,502	298,860	(52,358)	3,361,856	3,650,239	(288,383)
Physician Related-Quality	804,957	1,224,342	(419,385)	13,302,600	13,086,893	215,707
Property Taxes	65,972	94,885	(28,913)	931,729	1,046,145	(114,416)
Medical Surgical Supplies	1,308,761	2,091,365	(782,604)	19,006,947	27,242,453	(8,235,506)
Liability and W/C Insurance	454,476	471,553	(17,077)	3,252,160	2,761,981	490,179
Rent, Maintenance, Repairs	101,139	208,864	(107,725)	1,462,403	2,363,275	(900,872)
Utilities	287,299	214,554	72,745	3,003,629	2,630,690	372,939
Pharmaceuticals	394,134	183,053	211,081	3,608,143	2,325,378	1,282,765
Management Fee	731,447	1,732,915	(1,001,468)	9,194,814	9,665,490	(470,676)
All Other Supply	285,024	(679,413)	964,437	2,661,027	2,316,355	344,672
Total Supplies and Other	6,195,038	6,954,840	(759,803)	71,312,850	80,346,362	(9,033,512)
Affiliated Interest (Income) Expense	-	-	-	-	(207,654)	207,654
Interest	320,654	407,685	(87,031)	5,265,726	4,395,715	870,011
Depreciation	635,858	618,733	17,125	7,265,692	7,491,907	(226,215)
Lease, Interest, Depreciation	956,512	1,026,418	(69,906)	12,531,417	11,679,968	851,449
Grand Total	12,867,063	13,982,058	(1,114,995)	150,947,848	162,302,276	(11,354,428)

IJGG Opco, LLC (Consolidated)
dba Bayonne Medical Center
Statistics by Service and Payer
11/30/2023

<u>November</u>	<u>November</u>	<u>November</u>	<u>November</u>	<u>November</u>
<u>MTD</u>	<u>MTD</u>	<u>MTD</u>	<u>MTD</u>	<u>MTD</u>
<u>2023</u>	<u>2023</u>	<u>2023</u>	<u>2022</u>	<u>2022</u>
<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Actual</u>	<u>Variance</u>
316	337	(21)	311	5
316	337	(21)	311	5
316	337	(21)	311	5
27	28	(1)	31	(4)
-	-	-	-	-
343	365	(22)	342	1

2,011	1,824	187	1,988	23
2,011	1,824	187	1,988	23
2,011	1,824	187	1,988	23
294	207	87	264	30
-	-	-	-	-
2,305	2,031	274	2,252	53

6.36	5.41	0.95	6.39	(0.03)
-	-	-	-	-
-	-	-	-	-
6.36	5.41	0.95	6.39	(0.03)
10.89	7.39	3.50	8.52	2.37
6.72	5.56	1.16	6.58	0.14

114	123	(9)	111	3
106	86	20	84	22
22	39	(17)	37	(15)
5	7	(2)	7	(2)
1	5	(4)	3	(2)
1	3	(2)	5	(4)
11	23	(12)	22	(11)
19	1	18	3	16
49	53	(4)	50	(1)
15	25	(10)	20	(5)
343	365	(22)	342	1
96%	93%		94%	
64%	57%		57%	
12%	21%		17%	
20%	15%		15%	
4%	7%		6%	

792	720	72	743	49
731	531	200	623	108
109	187	(78)	216	(107)
18	38	(20)	45	(27)
-	31	(31)	10	(10)
4	8	(4)	42	(38)
64	90	(26)	68	(4)
124	8	116	88	36
366	294	72	294	72
97	124	(27)	123	(26)
2,305	2,031	274	2,252	53
96%	94%		95%	
66%	62%		61%	
8%	17%		13%	
21%	15%		17%	
4%	6%		5%	

1,601	1,401	200	1,882	(281)
311	311	-	297	14
80	147	(67)	115	(35)
680	-	680	671	9

Discharges by Service

Medical-Surgical	3,872	3,693	179	3,419	453
Med/Surg Sub Total	3,872	3,693	179	3,419	453
Acute Subtotal	3,872	3,693	179	3,419	453
Behavioral	325	365	(40)	333	(8)
TCU	3	-	3	-	3
Total Inpatient	4,200	4,058	142	3,752	448

Patient Days by Service

Medical-Surgical	22,079	20,225	1,854	19,066	3,013
Med/Surg Sub Total	22,079	20,225	1,854	19,066	3,013
Acute Subtotal	22,079	20,225	1,854	19,066	3,013
Behavioral	3,084	2,741	343	2,529	555
TCU	44	-	-	-	44
Total Inpatient	25,207	22,966	2,197	21,595	3,612

ALOS by Service

Medical-Surgical	5.70	5.48	0.23	5.58	0.13
ICU	-	-	-	-	-
Pediatrics	-	-	-	-	-
Acute Subtotal	5.70	5.48	0.23	5.58	0.13
Behavioral	9.49	7.51	1.98	7.59	1.89
Total Inpatient	6.00	5.66	0.34	5.76	0.25

Discharges by Payer

Medicare	1,282	1,415	(133)	1,372	(90)
Medicare HMO	1,139	993	146	838	301
Horizon/Blue Cross	382	370	12	335	47
United Healthcare	66	78	(12)	47	19
Aetna	84	56	28	49	35
Cigna	42	61	(19)	37	5
Commercial/Managed Care	196	248	(52)	212	(16)
Medicaid	104	40	64	63	41
Medicaid HMO	756	602	154	632	124
Self Pay/Charity *	149	195	(46)	167	(18)
Total Inpatient Discharges	4,200	4,058	142	3,752	448
% of Discharges (Excl.Sp/Charity)	96%	95%		96%	
% of Discharges (Medicare/Medicare HMO)	58%	59%		59%	
% of Discharges (Horizon/Comm/Man Care)	18%	20%		15%	
% of Discharges (Medicaid/Medicaid HMO)	20%	16%		19%	
% of Discharges (SP/Charity)	4%	5%		4%	

Patient Days by Payer

Medicare	8,021	8,366	(345)	8,069	(48)
Medicare Managed Care	7,446	6,121	1,325	5,367	2,079
Horizon/Blue Cross	1,871	1,748	123	1,624	247
United Healthcare	338	420	(82)	303	35
Aetna	467	354	113	283	184
Cigna	190	289	(99)	158	32
Commercial/Managed Care	764	974	(210)	766	(2)
Medicaid	870	290	580	608	262
Medicaid Managed Care	4,441	3,473	968	3,572	869
Self-Pay/Charity	799	931	(132)	845	(46)
Total Inpatient Days	25,207	22,966	2,241	21,595	3,612
% of Days (Excl.Sp/Charity)	97%	96%		96%	
% of Days (Medicare/Medicare HMO)	61%	63%		62%	
% of Days (Horizon/Comm/Man Care)	14%	16%		11%	
% of Discharges (Medicaid/Medicaid HMO)	21%	16%		19%	
% of Days (SP/Charity)	3%	4%		4%	

ER Visits	17,269	14,396	2,873	18,028	(759)
ER Admits	3,954	3,954	-	3,243	711
Observation	1,022	1,554	(532)	1,629	(607)
FTE	662	-	662	670	(8)

**NJMHMC LLC AND AFFILIATE
(d/b/a Hudson Regional Hospital)**

**COMBINED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

**AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2022 AND 2021**

**NJMHMC LLC AND AFFILIATE
(d/b/a Hudson Regional Hospital)**

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INDEPENDENT AUDITORS' REPORT

To the Members
NJMHMC LLC and Affiliate
(d/b/a Hudson Regional Hospital)

Opinion

We have audited the accompanying combined financial statements of NJMHMC LLC and Affiliate, d/b/a Hudson Regional Hospital, which comprise the combined balance sheets as of December 31, 2022 and 2021 and the related combined statements of income and changes in members' equity, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements referred to above present fairly, in all material respects, the combined financial position of NJMHMC LLC and Affiliate d/b/a Hudson Regional Hospital as of December 31, 2022 and 2021, and the combined results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of NJMHMC LLC and Affiliate d/b/a Hudson Regional Hospital and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about NJMHMC LLC and Affiliate d/b/a Hudson Regional Hospital's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of NJMHMC LLC and Affiliate d/b/a Hudson Regional Hospital's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about NJMHMC LLC and Affiliate d/b/a Hudson Regional Hospital's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Marcum LLP

Hartford, CT
May 30, 2023

NJMHMC LLC AND AFFILIATE
(d/b/a Hudson Regional Hospital)

COMBINED BALANCE SHEETS

DECEMBER 31, 2022 AND 2021

	2022	2021
Assets		
Current Assets		
Cash	\$ 651,373	\$ 4,266,987
Restricted cash	320,000	320,000
Patient accounts receivable	54,119,229	47,889,640
Other receivable	3,147,786	--
Supplies inventory	2,410,117	2,272,724
Prepaid expenses	645,747	749,905
Malpractice insurance	<u>3,000,000</u>	<u>--</u>
Total Current Assets	<u>64,294,252</u>	<u>55,499,256</u>
Other Assets		
Deposits	7,176	7,176
Property, plant and equipment, net	60,607,091	55,407,750
Operating lease, right-of-use asset	1,292,654	1,209,941
Loans to affiliate	44,569,418	45,373,084
Goodwill	<u>444,747</u>	<u>518,872</u>
Total Other Assets	<u>106,921,086</u>	<u>102,516,823</u>
Total Assets	<u><u>\$ 171,215,338</u></u>	<u><u>\$ 158,016,079</u></u>

The accompanying notes are an integral part of these combined financial statements.

NJMHMC LLC AND AFFILIATE
(d/b/a Hudson Regional Hospital)

COMBINED BALANCE SHEETS (CONTINUED)

DECEMBER 31, 2022 AND 2021

	2022	2021
Liabilities and Members' Equity		
Current Liabilities		
Line of credit	\$ 5,000,000	\$ 5,000,000
Accounts payable and accrued expenses	34,706,607	23,776,445
Current portion of financing lease obligations	1,476,224	1,259,907
Current portion of operating lease liability	381,611	580,734
Current portion of note payable	1,267,453	1,341,940
Current portion of long-term debt	1,065,589	2,013,025
Estimated third-party settlements	178,745	56,340
Malpractice claims	3,000,000	--
Medicare advance	--	2,186,327
Unearned income - HHS stimulus	--	3,390,568
Total Current Liabilities	<u>47,076,229</u>	<u>39,605,286</u>
Long-Term Liabilities		
Financing lease obligations, net of current portion	2,192,309	2,639,572
Operating lease liability, net of current portion	788,699	642,655
Note payable, net of current portion	845,087	2,112,540
Long-term debt, net of current portion	46,561,915	47,583,896
Estimated third-party settlements	--	165,793
Total Long-Term Liabilities	<u>50,388,010</u>	<u>53,144,456</u>
Total Liabilities	<u>97,464,239</u>	<u>92,749,742</u>
Members' Equity	<u>73,751,099</u>	<u>65,266,337</u>
Total Liabilities and Members' Equity	<u><u>\$ 171,215,338</u></u>	<u><u>\$ 158,016,079</u></u>

The accompanying notes are an integral part of these combined financial statements.

NJMHMC LLC AND AFFILIATE
(d/b/a Hudson Regional Hospital)

**COMBINED STATEMENTS OF INCOME AND
CHANGES IN MEMBERS' EQUITY**

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
Operating Revenue		
Net patient service revenue	\$ 152,671,088	\$ 141,430,734
COVID stimulus revenue	3,390,568	11,025,236
Other revenue	8,019,598	4,857,670
Total Operating Revenue	<u>164,081,254</u>	<u>157,313,640</u>
Operating Expenses		
Salaries and wages	38,387,363	36,429,056
Payroll taxes and employee benefits	6,218,866	5,536,267
Physician fees	3,548,712	3,933,195
Supplies and other expenses	94,167,782	80,310,938
New Jersey corporate income tax	26,915	1,123,085
Interest	3,808,011	2,428,794
Depreciation and amortization	3,696,237	3,514,752
Total Operating Expenses	<u>149,853,886</u>	<u>133,276,087</u>
Income from Operations	14,227,368	24,037,553
Debt Forgiveness (Paycheck Protection Loan Program (PPP))	--	6,501,680
Other Non-Operating Loss	<u>(4,385,534)</u>	<u>(2,787,197)</u>
Net Income	<u>9,841,834</u>	<u>27,752,036</u>
Members' Equity - Beginning of year	65,266,337	33,546,634
Members' (Distributions) Contributions	<u>(1,357,072)</u>	<u>3,967,667</u>
Members' Equity - End of year	<u>\$ 73,751,099</u>	<u>\$ 65,266,337</u>

The accompanying notes are an integral part of these combined financial statements.

NJMHMC LLC AND AFFILIATE
(d/b/a Hudson Regional Hospital)

COMBINED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
Cash Flows from Operating Activities		
Net income	\$ 9,841,834	\$ 27,752,036
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	3,696,237	3,514,752
Amortization of financing costs included in interest	43,610	(603,182)
Forgiveness of Paycheck protection program loan	--	(6,501,680)
Amortization of right of use asset	663,305	618,751
Changes in operating assets and liabilities:		
Patient accounts receivable	(6,229,589)	727,170
Other receivables	(3,147,786)	--
Supplies inventory	(137,393)	(269,572)
Prepaid expenses	104,158	9,525,672
Unearned income HHS stimulus funds	(3,390,568)	(11,025,236)
Accounts payable and accrued expenses	10,930,161	8,085,968
Operating lease liability	(135,792)	--
Estimated third-party settlements	(43,388)	(235,206)
Net Cash Provided by Operating Activities	<u>12,194,789</u>	<u>31,589,473</u>
Cash Flows from Investing Activities		
Purchases of property and equipment	(8,327,120)	(10,561,962)
Net Cash Used in Investing Activities	<u>(8,327,120)</u>	<u>(10,561,962)</u>
Cash Flows from Financing Activities		
Borrowings on lines of credit and long term debt	--	48,777,378
Payments on long term debt	(3,280,841)	(28,530,426)
Medicare advance repayments	(2,186,327)	(2,113,603)
Payments on financing leases	(1,462,709)	--
Loans to affiliate	--	(42,800,000)
Payments from affiliates for loan	803,666	--
Members' (distribution)/contributions	(1,357,072)	3,967,667
Net Cash Used in Financing Activities	<u>(7,483,283)</u>	<u>(20,698,984)</u>
Net Change in Cash and Restricted Cash	(3,615,614)	328,527
Cash and Restricted Cash - Beginning	<u>4,586,987</u>	<u>4,258,460</u>
Cash and Restricted Cash - End	<u><u>\$ 971,373</u></u>	<u><u>\$ 4,586,987</u></u>

The accompanying notes are an integral part of these combined financial statements.

NJMHMC LLC AND AFFILIATE
(d/b/a Hudson Regional Hospital)

COMBINED STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	<u>\$ 3,808,011</u>	<u>\$ 2,428,794</u>
Supplemental Disclosure of Noncash Financing Activities		
Equipment purchased under financing leases	<u>\$ 1,231,763</u>	<u>\$ 2,777,378</u>
Reconciliation of Cash and Restricted Cash to Amounts Report in the Combined Balance Sheets at the End of the Period		
Cash	\$ 651,373	\$ 4,266,987
Restricted Cash	<u>320,000</u>	<u>320,000</u>
	<u>\$ 971,373</u>	<u>\$ 4,586,987</u>

The accompanying notes are an integral part of these combined financial statements.

NJMHMC LLC AND AFFILIATE
(d/b/a Hudson Regional Hospital)

NOTES TO THE COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 1 - ORGANIZATION

NJMHMC LLC d/b/a Hudson Regional Hospital (the Hospital), is a for-profit acute care hospital with 204 licensed beds located in Secaucus, New Jersey. The Hospital provides inpatient, outpatient and emergency care services to residents of Secaucus, New Jersey and surrounding communities in New Jersey. The Hospital leases its space from 55 Meadowlands Holding LLC (the Landlord), which is a related party through common ownership.

The Landlord was formed for the purpose of owning and leasing a healthcare facility located in Secaucus, New Jersey and is considered to be a variable interest entity (VIE). On June 6, 2018, the Landlord acquired the lease option for the land the Hospital is located on. The purchase was financed through a mortgage with Popular Bank, and later refinanced with Cross River Bank (see Note 7). As a result of the acquisition, the land and building were transferred to the Landlord.

PRINCIPLES OF COMBINATION

The combined financial statements include the financial statements of the Hospital and the Landlord. All significant intercompany balances and transactions have been eliminated upon combination. As discussed above, the Hospital leases the facility from the Landlord, which is a related party through common ownership; the Hospital does not own any interest in the related party entity. Such entity is a VIE, and the Hospital is considered to be the primary beneficiary of such entity. Except for amounts contractually required under the lease agreement between the Hospital and the Landlord, the Hospital did not provide any further financial or other support to the Landlord. The Hospital could be required to provide additional financial support to assist the Landlord in meeting its financial obligations if contractually required amounts were insufficient. Financing of the Landlord is accomplished through a mortgage loan as described in Note 7 to the combined financial statements. The Hospital's involvement with the Landlord is limited to leasing the real estate and guaranteeing the mortgage loan payable.

The Hospital has elected to follow the accounting alternative provided in Accounting Standards Codification Topic 810, *Consolidation* (Topic 810). Topic 810 permits private business entities to not consolidate variable interest entities when certain conditions have been met.

NJMHMC LLC AND AFFILIATE
(d/b/a Hudson Regional Hospital)

NOTES TO THE COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 1 - ORGANIZATION (CONTINUED)

PRINCIPLES OF COMBINATION (CONTINUED)

Accordingly, the Hospital does not consolidate its VIE and alternatively is presenting the Hospital and the Landlord on a combined basis. In addition, the Hospital believes that this method provides the most accurate depiction of its financial position and results of operations.

The assets, liabilities, revenues, and expenses of the Landlord have been included in the accompanying combined financial statements. As of December 31, 2022 and 2021, amounts included in the combined financial statements are as follows:

	2022	2021
Assets:		
Cash	\$ 2,126	\$ 248,644
Restricted cash	320,000	320,000
Property, plant and equipment	54,187,474	48,233,619
Loan receivable	42,800,000	42,800,000
Liabilities:		
Accrued and other liabilities	\$ 374,975	\$ 213,853
Long term debt	47,627,503	48,596,920
Revenue	\$ 2,132,319	\$ 900,539
Expenses	\$ 4,806,505	\$ 3,766,452

The rental income amounts have been excluded from this table as they eliminate upon combination.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The Hospital's combined financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, whereby revenues are recognized when they are earned and expenses are recognized when they are incurred, regardless of the timing of the related cash flows.

NJMHMC LLC AND AFFILIATE
(d/b/a Hudson Regional Hospital)

NOTES TO THE COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

RESTRICTED CASH

The restricted cash of \$320,000 as of December 31, 2022 and 2021, has been set aside to cover unpaid property taxes and insurance premiums in accordance with the Hospital's debt agreement (Note 7).

CASH

The Hospital maintains its cash in major financial institutions that insure deposits with the Federal Deposit Insurance Corporation (FDIC). At times, balances may exceed the FDIC limits. The Hospital has suffered no losses in connection with its banking activity.

SUPPLIES INVENTORY

Supplies inventory is recorded at the lower of cost, using the first-in, first-out method, or net realizable value.

INTANGIBLE ASSETS

Intangible assets primarily consist of goodwill and capitalized computer software costs. Capitalized computer software costs are included in property, plant and equipment, net on the accompanying combined balance sheets.

NJMHMC LLC AND AFFILIATE
(d/b/a Hudson Regional Hospital)

NOTES TO THE COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INTANGIBLE ASSETS (CONTINUED)

Intangible assets are comprised of the following at December 2022:

	2022	2021
Capitalized computer software costs	\$ 940,182	\$ 940,182
Less: Accumulated amortization	<u>885,509</u>	<u>872,889</u>
Capitalized computer software costs, net	54,673	67,293
Goodwill	<u>444,747</u>	<u>518,872</u>
Total intangible assets, net	<u>\$ 499,420</u>	<u>\$ 586,165</u>

Intangible assets whose lives are indefinite, primarily goodwill, are evaluated for impairment at least annually or when circumstances indicate a possible impairment may exist, while intangible assets with definite lives, primarily capitalized computer software costs, are amortized over their expected useful lives.

DEFERRED FINANCING COSTS

Financing costs associated with the issuance of long-term obligations have been capitalized and are being amortized evenly over the term of the debt using the straight line amortization method which approximates the effective interest rate method. Debt issuance costs related to long-term debt are presented as a reduction of the carrying amount of the debt with the amortization of these costs included with interest expense.

PROPERTY PLANT, AND EQUIPMENT

Property, plant and equipment acquired in business combinations are recorded at fair value at the time of acquisition. All other property and equipment are recorded at cost. Property acquired under capital lease obligations are recorded at the net present value of required total minimum lease payments at the date of acquisition and depreciated over the lease term or estimated useful life, whichever is shorter. The cost of maintenance and repairs is charged to expense as incurred. Significant renewals and betterments that increase the value of, or extend the life of, the related asset are capitalized.

NJMHMC LLC AND AFFILIATE
(d/b/a Hudson Regional Hospital)

NOTES TO THE COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Depreciation and amortization is computed using the straight line method over the estimated useful lives of the related assets as follows:

	<u>Useful Lives</u>
Building and improvements	39 years
Leasehold improvements	15 years
Computer software	3 – 5 years
Major movable equipment	5 – 7 years

IMPAIRMENT OF LONG-LIVED ASSETS

The Hospital reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of these assets is determined by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered impaired, the long-lived assets are then written down to fair value. Fair value is determined based on discounted cash flows or appraised values, depending on the nature of the assets. Management believes no impairments have occurred and, therefore, no write-downs of the assets were necessary for the years ended December 31, 2022 and 2021, respectively.

CHARITY CARE

The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, these amounts are not reported as net patient service revenue.

The Hospital commits substantial resources to sponsor a broad range of services to the community. Community benefits provided to the indigent include the cost of providing services to persons who cannot afford health care due to inadequate resources and/or who are uninsured or underinsured. This type of community benefit includes the costs of traditional charity care, unpaid costs of care provided to beneficiaries of Medicaid and other indigent public programs, and services such as free clinics and meal programs for which a patient is not billed or for which a nominal fee has been assessed.

NJMHMC LLC AND AFFILIATE
(d/b/a Hudson Regional Hospital)

NOTES TO THE COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CHARITY CARE (CONTINUED)

The Health Care Subsidy Fund was established by the State of New Jersey for various purposes including the distribution of charity care payments to hospitals statewide. During the years ended December 31, 2022 and 2021, the Hospital received \$55,461 and \$76,159, respectively, from this fund, which is included in net patient service revenue in the accompanying combined statements of income and changes in members' equity.

The Hospital's management estimates its costs of care provided under its charity care programs utilizing a calculated ratio of costs to gross charges multiplied by the Hospital's gross charity care charges provided. The Hospital's gross charity care charges include only services provided to patients who are unable to pay and qualify under the Hospital's charity care policy. To the extent the Hospital receives reimbursement through the various governmental assistance programs in which it participates to subsidize its care of indigent patients, the Hospital does not include these patients' charges in its cost of care provided under its charity care program. The cost of charity care provided was estimated to be approximately \$310,000 and \$274,000 for the years ended December 31, 2022 and 2021, respectively.

NET PATIENT SERVICE REVENUE AND ACCOUNTS RECEIVABLE

Net patient service revenue relates to contracts with patients and in most cases involve a third-party payor (governmental and commercial insurance carriers) in which the Hospital's performance obligations are to provide health care services. The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges and per diem payments (see Note 4).

Net patient revenue is reported at expected collectible amounts over the time in which obligations to provide health care services are satisfied. Revenue is accrued to estimate the amount of revenue earned to date for patients who have not been discharged and whose care services are not complete as of the reporting period. Substantially all of the Hospital's obligations are satisfied in one year.

NJMHMC LLC AND AFFILIATE
(d/b/a Hudson Regional Hospital)

NOTES TO THE COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NET PATIENT SERVICE REVENUE AND ACCOUNTS RECEIVABLE (CONTINUED)

The transaction price is determined based on gross charges for services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with the Hospital's charity care policy, and implicit price concessions provided primarily to uninsured patients. Patients who have health care insurance may also have discounts applied related to their copayment or deductible. Implicit price concessions are recorded as a direct reduction to net patient service revenue and are based primarily on historical collection experience. Estimates of contractual adjustments and discounts are determined by major payor classes for inpatient and outpatient revenues based on contractual agreements, discount policies and historical experience. Management continually reviews the contractual estimation process to consider and incorporate updates to laws and regulations and frequent changes in commercial and managed care contractual terms resulting from contract renegotiations and renewals.

Contracts, laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates may change by a material amount in the future.

Settlements with third-party payors for retroactive revenue adjustments due to audits, reviews or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. Such estimates are determined through either a probability-weighted estimate or an estimate of the most likely amount, depending on the circumstances related to a given estimated settlement item. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor and the Hospital's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known, or as years are settled or are no longer subject to such audits, reviews and investigations.

The Hospital believes that it is in compliance with all applicable Medicare and Medicaid laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing that could have a material adverse effect on its combined financial statements. Noncompliance with such laws and regulations could result in fines, penalties and exclusion from such programs.

NJMHMC LLC AND AFFILIATE
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NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NET PATIENT SERVICE REVENUE AND ACCOUNTS RECEIVABLE (CONTINUED)

Deductibles, copayments, and coinsurance under third-party payment programs which are the patient's responsibility are included within the primary payor category in the table disclosed in Note 4. The primary collection risks relate to uninsured patient accounts, including patient accounts for which the primary insurance carrier has paid the amounts covered by the applicable agreement, but patient deductibles and copayments remain outstanding.

Implicit price concessions relate primarily to amounts due directly from patients. Estimated implicit price concessions are recorded for all uninsured accounts, regardless of the aging of those accounts. Accounts are written off when all reasonable internal and external collection efforts have been performed.

The estimates for implicit price concessions are based upon management's assessment of historical write-offs and expected net collections, business and economic conditions, trends in federal, state, and private employer health care coverage and other collection indicators.

Management relies on the results of detailed reviews of historical write-offs and collections of revenues and accounts receivable as a primary source of information in estimating the collectability of the Hospital's accounts receivable. Management updates the hindsight analysis at least quarterly, using primarily a rolling twelve-month collection history and write-off data. These routine, quarterly changes in estimates have not resulted in material adjustment to the valuations of accounts receivable or period-to-period comparisons of results of operations.

INCOME TAXES

The Hospital is treated as a disregarded entity for federal and state income tax purposes. The members of the Landlord have elected to be treated as a partnership for federal and state income tax purposes. Accordingly, any income or loss generated by the Hospital and the Landlord is passed through to the Members. As a result, the accompanying financial statements do not reflect a provision for federal income taxes. The New Jersey Corporation Business Tax Act (CBTA) imposes a tax on partnerships that have nonresident owners. Accordingly, the combined financial statements reflect a provision for state income taxes for 2021, but no tax is due in 2022.

NJMHMC LLC AND AFFILIATE
(d/b/a Hudson Regional Hospital)

NOTES TO THE COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INCOME TAXES (CONTINUED)

Management has concluded that the Hospital and the Landlord are pass-through entities for income tax purposes and there are no uncertain tax positions that would require recognition in the combined financial statements. If the Hospital or Landlord were to incur an income tax liability on uncertain tax positions in the future, interest on any income tax liability would be reported as interest expense and penalties on any income tax would be reported as income tax expenses. Management's conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based upon ongoing analysis of tax laws, regulations and interpretations thereof as well as other factors. The Hospital and Landlord's tax returns are subject to examination by federal and state taxing authorities. Management has stated there are no examinations pending or in progress.

UNEARNED INCOME – HHS STIMULUS

Unearned income includes amounts received for unrecognized CARES Act Funds (Note 3) in 2021 and recognized as an income in 2022.

RECLASSIFICATION

Certain amounts in the 2021 financial statements have been reclassified to conform with the 2022 presentation. These reclassifications had no effect on net assets or the results of operations for 2021.

SUBSEQUENT EVENTS

In preparing these combined financial statements, the Hospital has evaluated events and transactions for potential recognition or disclosure through May 30, 2023, the date the combined financial statements were available to be issued. There were no subsequent events that require recognition or disclosure in these combined financial statements.

NOTE 3 - COVID-19 PANDEMIC AND CARES ACT FUNDING

In response to COVID-19, the CARES Act was signed into law on March 27, 2020. The CARES Act authorized funding to hospitals and other healthcare providers to be distributed through the Public Health and Social Services Emergency Fund (Provider Relief Fund).

NJMHMC LLC AND AFFILIATE
(d/b/a Hudson Regional Hospital)

NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 3 - COVID-19 PANDEMIC AND CARES ACT FUNDING (CONTINUED)

Through December 31, 2020, the Hospital received approximately \$14.4 million in total in Provider Relief funds which was recorded as unearned income. During the year ended December 31, 2021, \$11 million of this amount was recognized as revenue in the combined statements of income and changes in members equity. The remaining \$3.4 million was recorded as revenue for the year ended December 31, 2022.

The Hospital is required to report on the usage of the Provider Relief Funds to the U.S. Department of Health and Human Services (HHS) in subsequent periods in order for the funds to be retained with the reporting requirements beginning in 2021. Accordingly, in November 2021, the Hospital submitted the support for use of approximately \$11 million of these funds (Period 1 funding) through the HHS reporting portal. During the year ended December 31, 2022, the Hospital submitted the support for the use of the remaining funds of \$3.4 million (Period 2 funding) through the HHS portal.

In addition, in April 2020, the Hospital entered into a Promissory Note (the "PPP Note") with Popular Bank (the "Lender"), pursuant to which the Lender agreed to make a loan to the Hospital under the Paycheck Protection Program (the "PPP Loan") offered by the U.S. Small Business Administration ("SBA") in a principal amount of \$6.5 million pursuant to Title 1 of the CARES Act. The PPP Loan proceeds were available to be used to pay for payroll costs, including salaries, commissions, and similar compensation, group health care benefits, and paid leaves; rent; utilities; and interest on certain other outstanding debt. The interest rate on the PPP Note was a fixed rate of 1% per annum. In June 2021, the Hospital received approval from the SBA of forgiveness of the Payroll Protection Program loan and therefore, recognized \$6.5 million within non-operating income in the combined statement of income and changes in members equity for the year ended December 31, 2021.

To enhance liquidity, the Hospital was a participant in the Centers for Medicare and Medicaid Services' Accelerated and Advance Payment Program, designed to increase cash flow to Medicare providers and suppliers impacted by COVID-19. This program allows eligible health care facilities to request up to six months of advance Medicare payments for acute care hospitals or up to three months of advance Medicare payments for other health care providers. Under this program, the Hospital received approximately \$4.3 million in expedited payments for future services, which was subject to repayment. As of December 31, 2021, the Hospital had a balance due for such advances of approximately \$2.2 million. Through December 31, 2022, the Centers for Medicare and Medicaid Services have recouped all \$4.3 million of the Medicare Advance through a reduction in payment remittances.

NJMHMC LLC AND AFFILIATE
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NOTES TO THE COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 4 - NET PATIENT SERVICE REVENUE

The Hospital has agreements with third-party payors that provide for payments at amounts different from its established rates. A summary of the principal payment arrangements with major third-party payors is as follows:

Medicare: Inpatient acute care and nonacute services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. Outpatient services provided to Medicare program beneficiaries are paid at prospectively determined amounts. These rates vary according to patient classification systems that are based on clinical, diagnostic and other factors. Federal regulations provide for certain adjustments to the current and prior years' payment rates based on industry-wide and hospital-specific data. The Hospital has filed its Medicare cost report for the years ended December 31, 2022 and 2021, respectively. The Hospital's Medicare cost reports have been audited by the Medicare fiscal intermediary through fiscal year 2018.

Medicaid: Medicaid Inpatient acute care services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. Outpatient services are paid based upon a cost reimbursement methodology and certain services are paid based on a Medicaid fee schedule. The Hospital is paid for reimbursable costs at a tentative rate with final settlement determined after submission of the annual cost report by the Hospital and audit thereof by the Medicaid fiscal intermediary. The Hospital's Medicaid cost reports have been audited and finalized by the Medicaid fiscal intermediary through December 31, 2020.

Other third-party payors: The Hospital also has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, preferred provider organizations and other organizations. The basis for payment under these agreements includes prospectively determined rates per discharge, discounts from established charges, published fee schedules and prospectively determined daily rates.

There are various proposals at the federal and state levels that could, among other things, significantly reduce payment rates or modify payment methods. The ultimate outcome of these proposals and other market changes, including the potential effects of health care reform that has been enacted by the federal government, cannot presently be determined. Future changes in the Medicare and Medicaid programs and any reduction of funding could have an adverse impact on the Hospital.

NJMHMC LLC AND AFFILIATE
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NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 4 - NET PATIENT SERVICE REVENUE (CONTINUED)

Net patient service revenue for the years ended December 31 is as follows:

The Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements.

	2022	2021
Inpatient care	\$ 69,173,290	\$ 67,440,439
Outpatient care	<u>83,497,798</u>	<u>73,990,295</u>
Total net patient service revenue	<u>\$ 152,671,088</u>	<u>\$ 141,430,734</u>

Net patient service revenue earned by payor and significant concentrations of accounts receivable are as follows:

	Net Patient Service Revenue		Accounts Receivable	
	December 31		December 31	
	2022	2021	2022	2021
Medicare	18%	17%	4%	4%
Medicaid	12%	13%	7%	7%
Other third party payors	68%	66%	76%	76%
Self Pay	<u>2%</u>	<u>4%</u>	<u>13%</u>	<u>13%</u>
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

NJMHMC LLC AND AFFILIATE
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NOTES TO THE COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 5 - PROPERTY, PLANT AND EQUIPMENT

A summary of property, plant and equipment at December 31, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Land	\$ 23,707,000	\$ 23,707,000
Building and building improvements	33,408,349	26,487,399
Computer equipment, software	1,100,112	1,100,112
Major movable equipment	<u>14,185,952</u>	<u>12,329,059</u>
	72,401,413	63,623,570
Less accumulated depreciation and amortization	<u>(11,794,322)</u>	<u>(8,215,820)</u>
	<u>\$ 60,607,091</u>	<u>\$ 55,407,750</u>

Depreciation and amortization expense on property, plant and equipment for the years ended December 31, 2022 and 2021 was \$4,359,542 and \$4,133,503 respectively.

The cost of the right of use asset is \$2,456,680 and \$1,828,692, with accumulated depreciation of \$1,164,026 and \$618,757 as of December 31, 2022 and 2021, respectively. These amounts are excluded from the table above. See Note 6 for further detail on leasing arrangements.

NOTE 6 - LEASE COMMITMENTS

FINANCING LEASES

The Hospital finances certain equipment under financing leases. Obligations under the financing leases are recorded in the accompanying combined financial statements at the present value of future minimum lease payments. The leases mature through June 2027 and have effective interest rates ranging from 4.25 percent to 9.5 percent. The net book value of this leased equipment included within property, plant and equipment at December 31, 2022 and 2021 was \$3,588,494 and \$3,849,353, respectively.

NJMHMC LLC AND AFFILIATE
(d/b/a Hudson Regional Hospital)

NOTES TO THE COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 6 - LEASE COMMITMENTS (CONTINUED)

FINANCING LEASES (CONTINUED)

Future minimum financing lease payments for the years ending December 31 are as follows:

2023	\$ 1,612,080
2024	1,117,818
2025	709,266
2026	421,522
2027	<u>74,084</u>
	3,934,769
Less, amounts representing interest	<u>(266,237)</u>
Present value of minimum lease payments	3,668,532
Less, current portion	<u>(1,476,224)</u>
Financing lease obligations, net of current portion	<u><u>\$ 2,192,309</u></u>

Interest expense associated with the above financing lease obligations for the years ended December 31, 2022 and 2021 was \$185,931 and \$204,056, respectively.

OPERATING LEASES

The Hospital leases certain medical offices, personnel, administrative offices and equipment under finance and operating leases. At the inception of a contract, a determination is made if the arrangement is or contains a lease. Leases are classified as either finance or operating leases based on the underlying terms of the agreement and certain criteria, such as the term of the lease relative to the useful life of the asset and the total lease payments to be made as compared to the fair value of the asset, amongst other criteria. The Hospital has a right-of-use asset and operating lease liability totaling approximately \$1.2 million at December 31, 2022 and 2021, which are respectively recorded as operating lease right of use asset and operating lease liability on the accompanying audited combined balance sheet.

NJMHMC LLC AND AFFILIATE
(d/b/a Hudson Regional Hospital)

NOTES TO THE COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 6 - LEASE COMMITMENTS (CONTINUED)

OPERATING LEASES (CONTINUED)

The Hospital's right-of-use asset pertaining to operating leases represents the right to use the underlying assets for the lease term, and the corresponding lease liability represents the obligation to make lease payments arising from the leases. Such right-of-use asset and lease liability are recognized at the lease's commencement date at the present value of lease payments over the lease term for leases with initial terms greater than a year. The present value of lease payments is calculated by utilizing the discount rate stated in the lease, when readily determinable. For leases for which this rate is not readily available, the Hospital has elected to use a discount rate comparable to the Hospital's incremental borrowing rate for financing over a comparable period. The average rate used as of December 31, 2022 and 2021, was 7% and 5%, respectively. A right-of-use asset and lease liability are not recognized for leases with an initial term of 12 months or less, and the Hospital recognizes lease expense for such leases on a straight-line basis over the lease term within supplies and other expenses on the accompanying audited combined statement of income.

The Hospital's operating leases have average remaining lease terms of 3 years for both the years ending December 31, 2022 and 2021. Lease payments related to periods subject to renewal options are excluded from the amounts used to determine the right-of-use leased assets and liabilities. The Hospital's leases may also include variable lease payments. Variable lease payments are excluded from the amounts used to determine the right-of-use leased assets and liabilities, unless the variable lease payments depend on an index, rate or are in substance fixed payments.

Operating expenses for the Hospital's leasing activity for the years ended December 31, 2022 and 2021 are as follows:

	Classification	2022	2021
Operating lease expense	Supplies and other expenses	\$ 755,042	\$ 792,494
Operating lease expense	Interest	<u>69,124</u>	<u>64,347</u>
Total lease cost		<u>\$ 824,166</u>	<u>\$ 856,841</u>

NJMHMC LLC AND AFFILIATE
(d/b/a Hudson Regional Hospital)

NOTES TO THE COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 6 - LEASE COMMITMENTS (CONTINUED)

OPERATING LEASES (CONTINUED)

Supplemental cash flow information is as follows for the years ended December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Cash paid for amounts included in measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 799,097	\$ 605,304
Operating cash flows from financing leases	<u>1,462,709</u>	<u>1,128,963</u>
Total cash flows	<u>\$ 2,261,806</u>	<u>\$ 1,734,267</u>
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	<u>\$ 746,019</u>	<u>\$ 1,828,692</u>

The aggregate future minimum lease payments of operating leases as of December 31, 2022 were as follows:

Year Ending December 31,

2023	\$ 473,586
2024	357,350
2025	357,877
2026	<u>177,662</u>
Total lease obligation	1,366,475
Less, imputed interest	<u>(196,165)</u>
Total liability	1,170,310
Less current portion	<u>(381,611)</u>
Long-term liability	<u>\$ 788,699</u>

NJMHMC LLC AND AFFILIATE
(d/b/a Hudson Regional Hospital)

NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 6 - LEASE COMMITMENTS (CONTINUED)

OPERATING LEASES (CONTINUED)

As disclosed in Note 1, the Hospital leases its space from the Landlord under a lease that expires in April 2048 for \$306,000 per month with 2% annual increase. The rental income for the Landlord and rental expense for the Hospital was \$3,896,756 and \$3,820,349 for the years ended December 31, 2022 and 2021, respectively. These amounts have been eliminated upon combination. The future minimum rental payments under the above lease are as follows:

<u>Year Ending December 31,</u>	
2023	\$ 3,974,691
2024	4,054,185
2025	4,135,268
2026	4,217,974
2027	4,302,333
Thereafter	<u>108,884,970</u>
	<u>\$ 129,569,421</u>

In August 2020, the Hospital leased additional space located at 43 Meadowlands Parkway from 43 Meadowlands Holding, LLC, ("43 Meadowlands"), a related party through common ownership. The monthly rent was \$282,500 and the lease expires in August 2030. On July 23, 2021, this lease agreement was terminated and a new lease agreement was signed with the monthly rent of \$78,333. This lease expires on July 23, 2026. Rental expense for this lease for the Hospital was \$940,000 and \$2,369,167 for the years ended December 31, 2022 and 2021, respectively. The Hospital does not own any interest in the related party entity. 43 Meadowlands is a variable interest entity and the Hospital is considered to be the primary beneficiary of such entity. Except for amounts contractually required under the lease agreement between the Hospital and 43 Meadowlands, the Hospital did not provide any further financial or other support to 43 Meadowlands. The Hospital has elected not to consolidate 43 Meadowlands as a result of the accounting alternative disclosed in Note 1. The Hospital terminated the lease agreement on January 2023. The last payment for this lease was made in January 2023 in the amount of \$78,333.

In addition, the Hospital and the Landlord are lessors under certain operating lease agreements and lease space in the Hospital building to outside parties. These leases are immaterial to the combined financial statements.

NJMHMC LLC AND AFFILIATE
(d/b/a Hudson Regional Hospital)

NOTES TO THE COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 7 - LONG-TERM DEBT AND LINES OF CREDIT

The Hospital has a \$7,200,000 note payable with the Seller. This note was issued as part of the acquisition that occurred on December 29, 2017 as disclosed in Note 1. This note carries an interest rate of 2.18%, matures in 2024, and began amortization on October 1, 2018. The monthly principal and interest payments are \$108,445. The balance outstanding under this note payable is \$2,112,540 and \$3,454,480 at December 31, 2022 and 2021, respectively.

Future minimum payments by year and in the aggregate under the note payable are as follows:

<u>Year Ending December 31,</u>	
2023	\$ 1,267,453
2024	<u>845,087</u>
	<u>\$ 2,112,540</u>

The above note payable is secured by a guarantee from members of the Hospital and the Landlord.

The Hospital and Landlord had a \$18,655,000 mortgage since June 7, 2018 and a \$7,861,000 additional mortgage since November 21, 2019, both with Popular Bank. On July 27, 2021, the Hospital and the Landlord refinanced the Popular Bank mortgages with a Cross River Bank (CRB) term loan. The new term loan with CRB is a \$50 million loan that replaced the two mortgages with Popular Bank. This term loan is for thirty six (36) months with two twelve month extension options for 0.5% per extension. The rate is 1 month LIBOR plus 4.5% with a 0.50% floor on LIBOR. As such, the current rate is 8.62% as of December 31, 2022. The loan has 25 year mortgage amortization.

The above term loan is secured by a guarantee from members of the Hospital and the Landlord.

NJMHMC LLC AND AFFILIATE
(d/b/a Hudson Regional Hospital)

NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 7 - LONG-TERM DEBT AND LINES OF CREDIT (CONTINUED)

Future minimum payments by year and in the aggregate under the CRB \$50.0 million loan are as follows:

<u>Year Ending December 31.</u>	
2023	\$ 1,065,589
2024	<u>47,590,383</u>
	48,655,972
Unamortized deferred financing costs	<u>(1,028,468)</u>
	<u>\$ 47,627,504</u>

The CRB \$50 million loan is subject to certain financial and non-financial covenants and other restrictions similar in financings of this type. The Hospital and the Landlord received a waiver of these covenants from CRB for the year ended December 31, 2022.

The Hospital and the Landlord had a \$10 million credit line with Popular Bank to be used for operating expenses. On July 27, 2021, this credit line was replaced with a \$10 million line of credit with CRB. The CRB line of credit has 1) a Collateral Management fee of 0.025-0.050% per month and 2) an Unused Line Fee of 0.042% per month. The interest rate at December 31, 2022 was 8.62%. As of December 31, 2022 and 2021, the Hospital had a \$5 million outstanding balance under the line.

NOTE 8 - EMPLOYEE BENEFIT PLANS

The Hospital sponsors a defined contribution 401(k) plan for its employees. This plan was established on May 1, 2011. All full-time and part-time employees who are at least 21 years of age are eligible for participation in the plan after completion of three months of employment and are encouraged to make contributions. The Hospital's contributions to the Plan were \$160,870 and \$135,098 for the years ended December 31, 2022 and 2021, respectively.

The Hospital contributes to a union pension plan under a collective bargaining agreement with the Operating Engineers Local No. 68 Union. Union pension expense included in payroll taxes and employee benefits in the accompanying combined statements of income and changes in members' equity for the years ended December 31, 2022 and 2021 was \$23,224 and \$16,252, respectively.

**NJMHMC LLC AND AFFILIATE
(d/b/a Hudson Regional Hospital)**

NOTES TO THE COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 9 - TRANSACTIONS WITH AFFILIATED ENTITIES

The Hospital has unsecured amounts due from various affiliated entities related by common ownership. Amounts due from affiliates at December 31, 2022 and 2021 amounted to \$6,544,395 and \$4,958,989, respectively. As collectability cannot be reasonably assured, at December 31, 2022 the Hospital has fully reserved these amounts.

On July 31, 2020, the Hospital entered into a \$9 million loan receivable agreement with 29 E. 29th Street Holdings, LLC, a related party through common ownership. This is a 5 year loan with interest only for the first seven months. The interest rate was 5%. The monthly principal and interest payments were \$170,100. As of December 31, 2020, no principal payments were made. On December 31, 2020, an addendum was signed related to this agreement allowing for an additional \$1.8 million and an additional \$35,050 in monthly principal and interest payments. As a result of CRB refinancing as disclosed in Note 7 above, the Hospital's intercompany loan of \$10.8 million was replaced by a \$42.8 million ten year loan from the Landlord to 29 E. 29th Street Holdings LLC. This loan has 5% interest rate and interest only payments with the principal due at the maturity date of September 1, 2031.

On December 31, 2020, the Hospital entered into a \$1.1 million loan receivable with the managing member of the Hospital. The loan bears an interest rate of 5% and is payable on demand.

NOTE 10 - COMMITMENTS AND CONTINGENCIES

The Hospital is involved in various litigation and regulatory inspections arising in the normal course of business. Management estimates that ongoing legal matters will be resolved without material adverse effect on the Hospital's future financial position or results of operations.

The health care industry is subject to numerous laws and regulations of federal, state and local government. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, and healthcare fraud and abuse. Activity continues to increase with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed.

NJMHMC LLC AND AFFILIATE
(d/b/a Hudson Regional Hospital)

NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 11 - MEDICAL MALPRACTICE RESERVES

The Hospital has an internal risk management program and carries claims made insurance coverage through a commercial carrier. The Hospital also has excess umbrella liability coverage, which provides coverage above the basic policy limits up to the amounts specified in the umbrella coverage. The Hospital's estimated the medical malpractice claims liability and related receivable from its insurance company for both asserted and unasserted claims at December 31, 2022. These amounts have been included in current assets and current liabilities in the accompanying combined balance sheets. The liability and receivable related to the malpractice insurance at December 31, 2022 was \$3 million. Management believes that any claims, if asserted, would be settled within the limits of its insurance coverage.

NOTE 12 - HEALTH INSURANCE

The Hospital self-insures its employee health insurance coverage and accrues the estimated costs of incurred and reported and incurred and unreported claims, after consideration of its stop-loss insurance coverage, based upon data provided by the third-party administrator of the program and its historical claims experience. The insurance health plan has a stop loss policy for the employee health insurance claims, which covers the amount of each claim in excess of \$200,000. The Hospital's estimated liability of \$449,700 and \$340,316 at December 31, 2022 and 2021, respectively, is included in accounts payable and accrued expenses in the accompanying combined balance sheets.

**INDEPENDENT AUDITORS' REPORT ON ACCOMPANYING
SUPPLEMENTARY COMBINING INFORMATION**

To the Members
NJMHMC LLC and Affiliate
(d/b/a Hudson Regional Hospital)

We have audited the combined financial statements of NJMHMC LLC and Affiliate, d/b/a Hudson Regional Hospital as of and for the years ended December 31, 2022 and 2021, and have issued our report thereon dated May 30, 2023, which contained an unmodified opinion on those financial statements and which appears on pages 1 and 2. Our audits were performed for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying supplementary combining information consisting of the combining balance sheets and the combining statements of income as of December 31, 2022 and 2021 and for the years then ended are presented for the purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary combining information is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

Marcum LLP

Hartford, CT
May 30, 2023

NJMHMC LLC AND AFFILIATE
(d/b/a Hudson Regional Hospital)

SCHEDULE I – COMBINING BALANCE SHEET

DECEMBER 31, 2022

	NJMHMC LLC	55 Meadowlands Holding LLC	Eliminations	Total
Assets				
Current Assets				
Cash	\$ 649,247	\$ 2,126	\$ --	\$ 651,373
Restricted cash	--	320,000	--	320,000
Patient accounts receivable	54,119,229	--	--	54,119,229
Other receivable	3,147,786	--	--	3,147,786
Supplies inventory	2,410,117	--	--	2,410,117
Prepaid expenses	645,747	--	--	645,747
Malpractice insurance	3,000,000	--	--	3,000,000
Total Current Assets	<u>63,972,126</u>	<u>322,126</u>	<u>--</u>	<u>64,294,252</u>
Other Assets				
Deposits	7,176	--	--	7,176
Property, plant and equipment, net	6,419,617	54,187,474	--	60,607,091
Operating lease, right-of-use asset	1,292,654	--	--	1,292,654
Loans to affiliates	45,332,874	51,351,168	(52,114,624)	44,569,418
Goodwill	444,747	--	--	444,747
Total Other Assets	<u>53,497,068</u>	<u>105,538,642</u>	<u>(52,114,624)</u>	<u>106,921,086</u>
Total Assets	<u>\$ 117,469,194</u>	<u>\$ 105,860,768</u>	<u>\$ (52,114,624)</u>	<u>\$ 171,215,338</u>

See independent auditors' report on supplementary information.

NJMHMC LLC AND AFFILIATE
(d/b/a Hudson Regional Hospital)

SCHEDULE I – COMBINING BALANCE SHEET (CONTINUED)

DECEMBER 31, 2022

	NJMHMC LLC	55 Meadowlands Holding LLC	Eliminations	Total
Liabilities and Members' Equity				
Current Liabilities				
Line of credit	\$ 5,000,000	\$ --	\$ --	\$ 5,000,000
Accounts payable and financing accrued expenses	42,882,800	43,938,431	(52,114,624)	34,706,607
Current portion of lease obligations	1,476,224	--	--	1,476,224
Current portion of operating lease liability	381,611	--	--	381,611
Current portion of note payable	1,267,453	--	--	1,267,453
Current portion of long-term debt and loan from affiliate	--	1,065,589	--	1,065,589
Estimated third-party settlements	178,745	--	--	178,745
Malpractice claims	3,000,000	--	--	3,000,000
Total Current Liabilities	<u>54,186,833</u>	<u>45,004,020</u>	<u>(52,114,624)</u>	<u>47,076,229</u>
Long-Term Liabilities				
Financing lease obligation, net of current portion	2,192,309	--	--	2,192,309
Operating lease liability, net of current portion	788,699	--	--	788,699
Note payable, net of current portion	845,087	--	--	845,087
Long-term debt, net of current portion	--	46,561,915	--	46,561,915
Total Long-Term Liabilities	<u>3,826,095</u>	<u>46,561,915</u>	<u>--</u>	<u>50,388,010</u>
Total Liabilities	<u>58,012,928</u>	<u>91,565,935</u>	<u>(52,114,624)</u>	<u>97,464,239</u>
Members' Equity	<u>59,456,266</u>	<u>14,294,833</u>	<u>--</u>	<u>73,751,099</u>
Total Liabilities and Members' Equity	<u>\$ 117,469,194</u>	<u>\$ 105,860,768</u>	<u>\$ (52,114,624)</u>	<u>\$ 171,215,338</u>

See independent auditors' report on supplementary information.

NJMHMC LLC AND AFFILIATE
(d/b/a Hudson Regional Hospital)

SCHEDULE II – COMBINING INCOME STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2022

	NJMHMC LLC	55 Meadowlands Holding LLC	Eliminations	Total
Operating Revenues				
Net patient service revenue	\$ 152,671,088	\$ --	\$ --	\$ 152,671,088
COVID stimulus revenue	3,390,568	--	--	3,390,568
Rental income	--	3,896,756	(3,896,756)	--
Other revenue	5,887,279	2,132,319	--	8,019,598
Total Operating Revenues	<u>161,948,935</u>	<u>6,029,074</u>	<u>(3,896,756)</u>	<u>164,081,254</u>
Operating Expenses				
Salaries and wages	38,387,363	--	--	38,387,363
Payroll taxes and employee benefits	6,218,866	--	--	6,218,866
Physician fees	3,548,712	--	--	3,548,712
Supplies and other expenses	97,405,060	659,478	(3,896,756)	94,167,782
New Jersey corporate income tax	26,915	--	--	26,915
Interest	671,687	3,136,324	--	3,808,011
Depreciation and amortization	2,685,533	1,010,704	--	3,696,237
Total Operating Expenses	<u>148,944,136</u>	<u>4,806,506</u>	<u>(3,896,756)</u>	<u>149,853,886</u>
Income from Operations	13,004,799	1,222,568	--	14,227,367
Other Non-Operating Loss	(4,385,534)	--	--	(4,385,534)
Net Income	<u>\$ 8,619,265</u>	<u>\$ 1,222,568</u>	<u>\$ --</u>	<u>\$ 9,841,833</u>

See independent auditors' report on supplementary information.

NJMHMC LLC AND AFFILIATE
(d/b/a Hudson Regional Hospital)

SCHEDULE III – COMBINING BALANCE SHEET

DECEMBER 31, 2021

Assets	NJMHMC LLC	55 Meadowlands Holding LLC	Eliminations	Total
Current Assets				
Cash	\$ 4,018,343	\$ 248,644	\$ --	\$ 4,266,987
Restricted cash	--	320,000	--	320,000
Patient accounts receivable	47,889,640	--	--	47,889,640
Supplies inventory	2,272,724	--	--	2,272,724
Prepaid expenses	749,905	--	--	749,905
Total Current Assets	<u>54,930,612</u>	<u>568,644</u>	<u>--</u>	<u>55,499,256</u>
Other Assets				
Deposits	7,176	--	--	7,176
Property, plant and equipment, net	7,174,131	48,233,619	--	55,407,750
Operating lease, right-of-use asset	1,209,941	--	--	1,209,941
Loans to affiliates	40,826,723	52,596,618	(48,050,257)	45,373,084
Goodwill	518,872	--	--	518,872
Total Other Assets	<u>49,736,843</u>	<u>100,830,237</u>	<u>(48,050,257)</u>	<u>102,516,823</u>
Total Assets	<u>\$ 104,667,455</u>	<u>\$ 101,398,881</u>	<u>\$ (48,050,257)</u>	<u>\$ 158,016,079</u>

See independent auditors' report on supplementary information.

NJMHMC LLC AND AFFILIATE
(d/b/a Hudson Regional Hospital)

SCHEDULE III – COMBINING BALANCE SHEET (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2021

	NJMHMC LLC	55 Meadowlands Holding LLC	Eliminations	Total
Liabilities and Members' Equity				
Current Liabilities				
Accounts payable and financing accrued expenses	\$ 32,637,006	\$ 39,189,696	\$ (48,050,257)	\$ 23,776,445
Current portion of lease obligations	1,259,907	--	--	1,259,907
Current portion of operating lease liability	580,734	--	--	580,734
Current portion of note payable	1,341,940	--	--	1,341,940
Current portion of long-term debt and loan from affiliate	1,000,000	1,013,025	--	2,013,025
Estimated third-party settlements	56,340	--	--	56,340
Line of credit	5,000,000	--	--	5,000,000
Medicare advance	2,186,327	--	--	2,186,327
Unearned income - HHS stimulus	3,390,568	--	--	3,390,568
Total Current Liabilities	<u>47,452,822</u>	<u>40,202,721</u>	<u>(48,050,257)</u>	<u>39,605,286</u>
Long-Term Liabilities				
Financing lease obligation, net of current portion	2,639,572	--	--	2,639,572
Operating lease liability, net of current portion	642,655	--	--	642,655
Note payable, net of current portion	2,112,540	--	--	2,112,540
Long-term debt, net of current portion	--	47,583,896	--	47,583,896
Estimated third-party settlements	165,793	--	--	165,793
Total Long-Term Liabilities	<u>5,560,560</u>	<u>47,583,896</u>	<u>--</u>	<u>53,144,456</u>
Total Liabilities	<u>53,013,382</u>	<u>87,786,617</u>	<u>(48,050,257)</u>	<u>92,749,742</u>
Members' Equity	<u>51,654,073</u>	<u>13,612,264</u>	<u>--</u>	<u>65,266,337</u>
Total Liabilities and Members' Equity	<u>\$ 104,667,455</u>	<u>\$ 101,398,881</u>	<u>\$ (48,050,257)</u>	<u>\$ 158,016,079</u>

See independent auditors' report on supplementary information.

NJMHMC LLC AND AFFILIATE
(d/b/a Hudson Regional Hospital)

SCHEDULE IV – COMBINING INCOME STATEMENT


FOR THE YEAR ENDED DECEMBER 31, 2021


	NJMHMC LLC	55 Meadowlands Holding LLC	Eliminations	Total
Operating Revenues				
Net patient service revenue	\$ 141,430,734	\$ --	\$ --	\$ 141,430,734
COVID stimulus revenue	11,025,236	--	--	11,025,236
Rental income	--	3,820,349	(3,820,349)	--
Other revenue	3,957,131	900,539	--	4,857,670
Total Operating Revenues	<u>156,413,101</u>	<u>4,720,888</u>	<u>(3,820,349)</u>	<u>157,313,640</u>
Operating Expenses				
Salaries and wages	36,429,056	--	--	36,429,056
Payroll taxes and employee benefits	5,536,267	--	--	5,536,267
Physician fees	3,933,195	--	--	3,933,195
Supplies and other expenses	83,532,618	598,669	(3,820,349)	80,310,938
New Jersey corporate income tax	1,123,085	--	--	1,123,085
Interest	540,175	1,888,619	--	2,428,794
Depreciation and amortization	2,235,588	1,279,164	--	3,514,752
Total Operating Expenses	<u>133,329,984</u>	<u>3,766,452</u>	<u>(3,820,349)</u>	<u>133,276,087</u>
Income from Operations	23,083,117	954,436	--	24,037,553
Debt Forgiveness (PPP Loan)	6,501,680	--	--	6,501,680
Other Non-Operating Loss	(2,787,197)	--	--	(2,787,197)
Net Income	<u>\$ 26,797,600</u>	<u>\$ 954,436</u>	<u>\$ --</u>	<u>\$ 27,752,036</u>


See independent auditors' report on supplementary information.





HUDSON
REGIONAL HOSPITAL

 55 Meadowlands Parkway
Secaucus, NJ 07094

 info@hudsonregionalhospital.com

 201-392-3100

 www.HudsonRegionalHospital.com

 201-392-6770

HUDSON REGIONAL HOSPITAL

PRELIMINARY FINANCIAL STATEMENTS

DECEMBER 2023

Building a **HEALTHIER COMMUNITY**

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HUDSON REGIONAL HOSPITAL

MANAGEMENTS DISCUSSION AND ANALYSIS

We present the combined financial statements of Hudson Regional Hospital (HRH) for twelve (12) months ended December 31, 2023. These statements represent the consolidation of NJMHMC LLC (d/b/a Hudson Regional Hospital) and 55 Meadowlands Holding (a related party and considered a Variable Interest Entity (VIE) with common ownership and control as NJMHMC LLC) and are reported on a combined basis. NJMHMC LLC is the entity that operates the hospital and leases the building and property from 55 Meadowlands Holdings which owns the building and property. The Hudson Regional Hospital's operating performance for twelve (12) months period generated an operational gain of \$12,531,359.

The following comments further highlight the material contained in these statements:

PATIENT STATISTICS

- Medical / Surgical Admissions are up by 49 or 1.5%, ICU admissions are up by 57 or 14.6%, ER visits are down by 524 or 3.5 % for twelve (12) months December 2023 compared to December 2022.
- Same Day Surgery procedures are up 689 or 9.9% for twelve (12) months December 2023 compared to December 2022.
- Endoscopy procedures are up by 557 or 48.3% comparing the two year to date December results.
- On April 30, 2023 Hudson Regional Hospital closed Maternal Child Health (MCH) and Pediatric departments. MCH program has sustained significant operating losses for the past several years. This is a result of low patient volumes with high standby costs. MCH had 22 OB/Gyn beds and Pediatrics had 26 beds. These licensed beds were transferred to Medical Surgical department.
- Hospital management has implemented strategies to generate an increase in patient utilization of the facility that include the recruitment of primary care physicians that has generated several new physician applications for privileges. This strategy has resulted in an increase in hospital inpatient as well as outpatient utilization.
- We are currently in- network with Horizon Commercial and Medicare Managed Care, Horizon NJ Health (Medicaid), Aetna Commercial and Medicare Managed Care, Wellcare, United Healthcare, Oxford, Americhoice, Amerigroup, Cigna and Aetna Better Health. The in-network status with these carriers has led to improved physician relationships and patient volumes.

BALANCE SHEET

- The Combined Balance Sheet as of December 31, 2023, includes Current Assets of \$65.6 million, which principally consists of Cash \$1.5 million, Net Patient Accounts Receivable \$55.8 million, Inventory of \$2.5 million, Other Current Assets of \$2.6 million and malpractice insurance \$3.3 million. Other Assets include Net Property Plant and Equipment of \$70.2 million, Operating Leases, right-of-use assets of \$779 thousand, 29E Loan – L/T portion \$42.8 million, due from affiliates \$1.7 million, and Goodwill \$371 thousand.
- Combined Current Liabilities of \$50.6 million includes Accounts Payable of \$34.1 million, Accrued Salaries of \$3.9 million, Current portion of Financing Lease Obligations \$1.8 million, Current portion of operating lease liability \$317 thousand, Current portion of long-term debt \$496 thousand and, Current portion of note payable \$952 thousand (obligation related to the sale of MHA to NJMHMC on December 29th 2017), Woorl America bank line of credit \$5.5 million, Malpractice claims \$3.3 million, Third Party Liability \$241 thousand.
- Combined Long Term Liabilities are \$48.8 million, which is comprised of the Long Term portion of Mortgage Loan Payable \$43.6 million, \$4.8 million in Financing Lease obligations and \$492 thousand in Operating lease liability.
- The average payment time for vendor bills at December 31, 2023 was 92 days (a decrease from November of 8 days). The average days of Revenue in Accounts Receivable (AR) at December 31, 2023 was 116 days with 5.4 days of Revenue in Discharged Not Final Billed (DNFB). (This represents a decrease of 1.77 days of revenue in DNFB, and a decrease of 5 day in revenue in AR as of November 30, 2023).
- On August 31, 2023, 55 Meadowlands Holdings refinanced Cross River Bank (CRB) loan with Woorl America Bank (WAB). The new term loan with WAB is a \$45.0 million loan for sixty (60) months with one sixty (60) months extension option. The rate is fixed at 6.5%. The loan has 30 year mortgage amortization. As a result of this refinancing, the unamortized CRB issuance costs is being written off in August 2023 and is being charged to depreciation expense in the amount of \$1,003,028.
- HRH \$5.0 million Cross Rive Bank Working Capital Credit Revolver was replaced with WAB \$10.0 million Revolving Line of Credit on August 31, 2023. This Line of Credit has a one (1) year term with rate WSJP-0.5% monthly adjustment. Current rate is 8.0%.
- On July 27, 2021, 55 Meadowlands Holdings refinanced Popular Bank loans with Cross River Bank (CRB). The term loan with CRB was a \$50.0 million loan that replaced the two mortgages with Popular Bank and provided the financing for the additional loan to Bayonne Medical Center (BMC). As a result of this refinancing HRH intercompany loan which was \$10.8 million was replaced by a \$42.8 million loan from 55 Meadowlands Holdings to BMC. This loan has 6.5% interest rate and interest only payments with the principal due at maturity date-September 1, 2031.
- NJMHMC's Current and Long Term portion of Long Term Debt combined is the \$952 thousand Seller Note executed as part of the Purchase Price.

INCOME STATEMENT

- The hospital had a Net Operating Gain of \$12.5 million for twelve (12) months ended December 31, 2023 compared to the 2023 Pro Forma \$8.8 million for the same period.
- The Actual combined Net Patient Service Revenue for twelve (12) months ended December 31, 2023 was \$176.1 million compared to the Pro Forma of \$164.2 million. This is based on an overall expected rate of recovery of Gross Charges of 13% which is consistent with prior year rates.
- Total combined operating expenses for twelve (12) months ended December 31, 2023 were \$170.9 million compared to the Pro Forma of \$160.9 million for the same period.

CASH FLOW

- The YTD net increase in Cash for twelve (12) months ended December 31, 2023 was \$822 thousand.

Respectfully submitted,



John Grywalski Jr, CPA, CGMA, MBA
Chief Financial Officer

NJMHMC, LLC
(D/B/A Hudson Regional Hospital)
Balance Sheet
As of:

	Combined UNAUDITED December 31, 2023	Combined AUDITED December 31, 2022	Change
Assets			
Current assets:			
Cash and cash equivalents	1,472,926	\$ 651,373	\$ 821,553
Restricted cash	-	320,000	(320,000)
Patients accounts receivable, net of allowance for doubtful accounts	55,774,923	54,119,229	1,655,694
Supplies inventory	2,472,013	2,410,117	61,896
Prepaid expenses and other current assets	2,586,253	3,793,533	(1,207,280)
Malpractice insurance	3,320,000	3,000,000	320,000
Total current assets	65,626,115	64,294,252	1,331,863
Deposits and other non-current assets	7,176	7,176	-
Property, plant and equipment, net	70,240,787	60,607,091	9,633,696
Operating Lease, right-of-use asset	779,400	1,292,654	(513,254)
29E Loan -L/T	42,800,000	42,800,000	-
Due from affiliates	1,707,230	1,769,418	(62,188)
Intangible assets	370,623	444,747	(74,124)
Total assets	\$ 181,531,331	\$ 171,215,338	\$ 10,315,993
Liabilities and Member's Equity			
Current liabilities:			
Accounts payable and accrued expenses	\$ 34,100,298	\$ 31,502,581	\$ 2,597,716
Accrued payroll and other related expenses	3,894,902	3,204,026	690,876
Current portion of financing lease obligation	1,775,589	1,476,224	299,365
Current portion of operating lease liability	316,910	381,611	(64,701)
Current portion of note payable	951,803	1,267,453	(315,650)
Current portion of long-term debt	496,037	1,065,589	(569,552)
Line of credit	5,508,125	5,000,000	508,125
Malpractice claims	3,320,000	3,000,000	320,000
Current portion of estimated amounts due to third party payor	241,248	178,745	62,503
Total current liabilities	50,604,912	47,076,229	3,528,682
Financing lease obligations, net of current portion	4,781,052	2,192,309	2,588,743
Operating lease liability, net of current portion	491,925	788,699	(296,774)
Note payable	-	845,087	(845,087)
Long-term debt, net of current portion	43,615,251	46,561,915	(2,946,664)
Total long-term liabilities	48,888,228	50,388,010	(1,499,782)
Total liabilities	99,493,140	97,464,239	2,028,900
Member's equity			
Member's equity	73,751,099	73,751,099	0
Member's contribution/(distribution)	(763,013)	-	(763,013)
Current year net income(loss)	9,050,104	-	9,050,104
Total member's equity	82,038,190	73,751,099	8,287,091
Total liabilities and member's equity	\$ 181,531,331	\$ 171,215,338	\$ 10,315,993

NJMHMC, LLC
(D/B/A Hudson Regional Hospital)
Statement of income and change in Member's Equity
For 12 months ended December 31, 2023

	Actual Combining UNAUDITED	Pro Forma Dec'23	Actual vs.Pro Forma
Net Patient Service Revenue	\$ 176,073,480	\$ 164,170,963	\$ 11,902,517
Other revenue	7,332,416	5,600,000	1,732,416
Total Operating Revenue	183,405,896	169,770,963	13,634,933
Operating Expense			
Salaries and wages	41,931,815	41,312,986	(618,829)
Fringe benefits	8,580,505	6,708,950	(1,871,555)
Physician Fees	3,362,656	4,056,028	693,372
Supplies and other expenses	106,515,088	99,287,690	(7,227,398)
NJ Corporate income tax	-	1,177,000	1,177,000
Interest	4,819,866	4,000,000	(819,866)
Depreciation	5,664,606	4,400,000	(1,264,606)
Total operating expenses	170,874,537	160,942,654	(9,931,883)
Income from operations	12,531,359	8,828,309	3,703,050
Other nonoperating income(loss)	(3,481,255)	-	(3,481,255)
Net income	9,050,104	8,828,309	221,795

NJMHMC, LLC
(D/B/A Hudson Regional Hospital)
Statements of Cash Flows
For 12 months ended December 31, 2023

	Combined Unaudited
Cash Flows From Operating Activities	
Net income (loss)	\$ 9,050,104
Adjustments to reconcile net income to net cash (used in) provided by operating activities	
Depreciation and amortization	5,664,606
Changes in operating assets and liabilities:	
Patient accounts receivable	(1,655,694)
Supplies inventory	(61,896)
Prepaid expenses and other current assets	1,269,467
Accounts payable and accrued expenses	2,597,716
Accrued payroll and other related expenses	690,876
Third Party Liability	62,503
Net cash provided by operating activities	<u>17,617,685</u>
Cash Flows From Investing Activities	
Property and equipment acquired through asset purchase	
Purchases of property and equipment	<u>(14,710,923)</u>
Intangible assets	-
Net cash used in investing activities	<u>(14,710,923)</u>
Cash Flows From Financing Activities	
29E Loan	-
Net change of financing and operating leases	2,526,633
Net change in long term debts	(4,676,952)
CRB line of credit repayment	508,125
Member's contribution/(distribution)	(763,013)
Net cash provided by financing activities	<u>(2,405,208)</u>
Net increase (decrease) in cash and cash equivalents	501,553
Cash and Cash Equivalents	
Beginning of year	971,373
End of period	<u>\$ 1,472,926</u>

Combining NJMHMC LLC/ 55 Meadowlands Holding LLC
(D/B/A Hudson Regional Hospital)

Balance Sheet

As of:

	Combining UNAUDITED December 31, 2023	NJMHC UNAUDITED December 31, 2023	55 Meadowlands Holding UNAUDITED December 31, 2023	Eliminated UNAUDITED December 31, 2023
Assets				
Current assets:				
Cash and cash equivalents	\$ 1,472,926	\$ 1,182,170	\$ 290,757	
Restricted cash	-	-	-	
Patients accounts receivable, net of allowance for doubtful accounts	55,774,923	55,774,923		
Supplies inventory	2,472,013	2,472,013		
Prepaid expenses and other current assets	2,586,253	2,586,253		
Malpractice insurance	3,320,000	3,320,000		
Total current assets	65,626,115	65,335,358	290,757	-
Deposits and other non-current assets	7,176	7,176		
Property, plant and equipment, net	70,240,787	9,158,085	61,082,701	
Operating Lease, right-of-use asset	779,400	779,400		
29E Loan -L/T	42,800,000	-	42,800,000	
Due from affiliates	1,707,230	54,470,030	4,933,634	(57,696,435)
Intangible assets	370,623	370,623		
Total assets	\$ 181,531,331	\$ 130,120,673	\$ 109,107,093	\$ (57,696,435)
Liabilities and Member's Equity				
Current liabilities:				
Accounts payable and accrued expenses	\$ 34,100,298	\$ 38,781,178	\$ 53,015,555	(57,696,435)
Accrued payroll and other related expenses	3,894,902	3,894,902		
Current portion of financing lease obligation	1,775,589	1,775,589		
Current portion of operating lease liability	316,910	316,910		
Current portion of note payable	951,803	951,803		
Current portion of long-term debt	496,037	-	496,037	
Line of Credit	5,508,125	5,508,125		
Malpractice claims	3,320,000	3,320,000		
Current portion of estimated amounts due to third party payor	241,248	241,248		
Total current liabilities	50,604,912	54,789,755	53,511,592	(57,696,435)
Financing lease obligations, net of current portion	4,781,052	4,781,052		
Operating lease liability, net of current portion	491,925	491,925		
Note payable	-	-		
Long-term debt, net of current portion	43,615,251	-	43,615,251	
Total long-term liabilities	48,888,228	5,272,977	43,615,251	-
Total liabilities	99,493,140	60,062,732	97,126,843	(57,696,435)
Member's equity				
Member's equity	73,751,099	59,456,266	14,294,833	
Member's contribution/(distribution)	(763,013)	696,987	(1,460,000)	
Current year net income/(loss)	9,050,104	9,904,687	(854,583)	
Total member's equity	82,038,190	70,057,940	11,980,250	-
Total liabilities and member's equity	\$ 181,531,331	\$ 130,120,673	\$ 109,107,093	\$ (57,696,435)

Combining NJMHMC LLC/55 Meadowlands Holding LLC
Income Statement
For 12 months ended December 31, 2023

	Combining UNAUDITED	NJMHC UNAUDITED	55 Meadowlands Holding UNAUDITED	Eliminated UNAUDITED
Net Patient Service Revenue	\$ 176,073,480	\$ 176,073,480		
Other revenue	7,332,416	5,077,693	6,229,413	(3,974,691)
Total Operating Revenue	183,405,896	181,151,173	6,229,413	(3,974,691)
Operating Expense				
Salaries and wages	41,931,815	41,931,815		
Fringe benefits	8,580,505	8,580,505		
Physician Fees	3,362,656	3,362,656		
Supplies and other expenses	106,515,088	109,536,349	953,430	(3,974,691)
NJ Corporate income tax	-	-		
Interest	4,819,866	849,105	3,970,761	
Depreciation	5,664,606	3,504,802	2,159,805	
Total operating expenses	170,874,537	167,765,231	7,083,996	(3,974,691)
Income from operations	12,531,359	13,385,942	(854,583)	-
Other nonoperating income/(loss)	(3,481,255)	(3,481,255)	-	
Net income	9,050,104	9,904,687	(854,583)	-

Hudson Regional Hospital
Patient Year To Date 2023 Statistics
Comparison of December 31, 2023 to December 31, 2022

	Dec'2022	Dec'2023	incr/(decr)	% incr/decr
HR 3rd FI Medical/Surgical	3,235	3,284	49	1.5%
HR ICU/CCU	390	447	57	14.6%
ER	14,989	14,465	(524)	-3.5%
SDS	6,927	7,616	689	9.9%
Endo	1,154	1,711	557	48.3%
Total	26,695	27,523	828	3.1%

HUDSON REGIONAL HOSPITAL
Period End Accounts Receivable by Bill Date
Jan-Dec 2023

Auto	I	CU	NET		REFS	ACCT TYPE	CHARGE	INS	BAD DEBT	CLIENT	CLOSE	AGEING					151+
			OPEN	BILLED								CLOSE	0-30	31-60	61-90	91-120	
I	ICU	6,900,610	2,611,311	(292,572)	(1,687,688)	-	45,989	2,354,024	-	-	-	9,851,554	1,121,705	612,481	1,250,494	61,307	151+
I	INP	140,351,661	81,603,316	(9,580,618)	(90,598,947)	-	1,504,498	14,173,032	-	-	-	197,454,964	22,166,673	7,404,517	22,942,346	6,981,055	3,498,404
O	AMB	54,243	80,559	(13,068)	(9,034)	-	-	8,244	-	-	-	130,024	5,911	3,207	6,751	7,641	11,254
O	ER	1,804,635	765,882	(193,820)	(370,598)	-	-	391,899	(7,937)	-	-	2,044,081	89,815	48,600	92,887	72,205	28,247
O	MSU	161,405,238	87,353,464	(10,854,014)	(46,327,515)	-	(1,000,713)	14,179,274	-	-	-	204,753,732	22,417,775	10,560,750	12,881,323	3,869,168	1,721,276
O	ONS	2,059,783	1,216,989	(84,715)	(773,283)	-	(849,772)	(26,450)	-	-	-	1,852,312	-	122,893	209,578	3,651	149,846,383
O	OUT	59,262,007	21,381,995	(2,678,826)	(16,613,205)	-	-	1,084,604	(3,300)	-	-	67,331,195	1,855,307	1,230,297	2,351,572	2,004,865	1,516,409
O	REC	75,547	17,042	-	-	-	-	-	-	-	-	87,829	-	-	-	-	53,099,918
INS GRP-AUTO		371,914,124	194,971,578	(24,043,652)	(85,320,390)	-	0	37,064,707	(11,312)	-	-	478,213,050	47,748,185	19,990,865	39,734,951	13,019,913	347,572,598
BC																	75,547
I	INP	343,203	(1,618)	(22,064)	(49,610)	-	-	1,721	-	-	-	271,825	-	-	-	-	271,825
O	AMB	3,666	(448)	-	-	-	-	(5,737)	-	-	-	3,320	-	-	-	-	3,320
O	ER	46,348	45,529	(52,866)	(51,276)	-	-	35,608	-	-	-	27,392	(284)	-	150	75	27,451
O	MSU	93,007	-	(5,823)	-	-	-	(150)	-	-	-	35,608	-	-	-	-	25,374
O	ONS	53,092	23,407	(4,519)	(40,050)	-	-	(150)	-	-	-	34,877	1,645	2,773	-	-	30,703
O	OUT	537,947	67,218	(38,729)	(190,021)	-	-	(2,663)	-	-	-	373,032	1,362	2,773	150	75	358,672
INS GRP-IC																	
COMMERCIAL																	
I	ICU	4,579,916	11,232,910	(1,397,612)	(11,619,839)	-	-	(30,102)	-	-	-	2,715,293	1,512,405	386,867	335,690	215,365	446,344
I	INP	56,854,264	357,720,669	(25,719,440)	(326,240,295)	-	-	3,546,121	-	-	-	60,595,557	16,464,055	4,447,383	4,725,883	3,405,550	864,728
O	AMB	646,418	866,079	(162,073)	(573,167)	-	-	39,753	-	-	-	776,610	54,726	21,744	23,983	13,812	13,812
O	ER	10,824,615	27,190,000	(3,975,645)	(26,657,439)	-	-	33,797	(97,825)	-	-	6,512,003	1,197,183	391,176	159,842	296,988	4,307,771
O	MSU	40,773,051	133,150,607	(18,734,030)	(125,757,043)	-	-	2,127,309	5,556,004	-	-	37,515,899	15,719,390	3,588,686	1,650,041	(92,815)	15,320,255
O	ONS	2,530,054	2,142,137	(418,300)	(3,112,121)	-	-	384,855	(215,377)	-	-	1,834,754	579,653	272,251	35,417	(101,301)	22,437
O	OUT	9,508,594	27,760,983	(3,112,121)	(21,045,700)	-	-	7,891,760	(215,377)	-	-	1,008,824	670,993	364,713	416,830	364,962	5,965,419
O	REC	61,457	24,360	(2,993)	(67,233)	-	-	-	-	-	-	10,552	2,439	-	-	-	8,112
INS GRP-COMMERCIAL		125,727,770	350,048,564	(53,531,214)	(313,271,679)	-	(0)	5,682,045	-	-	-	117,653,487	36,535,237	10,179,479	7,330,569	4,017,285	2,748,392
BI																	
I	INP	325,141	-	-	(27,344)	-	-	325,141	-	-	-	325,141	231	-	-	-	324,910
O	ER	48,313	360,067	-	-	-	-	1,163	318	-	-	260,186	17,592	17,591	18,597	16,114	174,861
O	MSU	(15,486)	15,443	-	-	-	-	-	466	-	-	-	-	-	-	-	-
O	ONS	(3,547)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
O	OUT	1,035,801	207,537	(100)	(107,704)	-	-	1,745,885	9,187	-	-	-	-	-	-	-	-
O	REC	(1,972)	20,028	1,026	(45,585)	-	-	1,163	9,187	-	-	-	-	-	-	-	-
INS GRP-BI																	
MCD																	
I	ICU	1,598,767	202,376	(15,009)	(110,764)	-	-	8,428	-	-	-	1,603,802	1,069,596	190,060	310,256	608,301	127,472
I	INP	9,997,483	5,741,252	(62,681)	(3,916,273)	-	-	1,224,265	-	-	-	12,732,471	1,561,123	1,735,349	608,301	127,472	10,432,216
O	AMB	182,659	110,016	(2,824)	(30,846)	-	-	23,864	-	-	-	282,390	6,618	8,169	10,891	15,911	238,956
O	ER	2,225,688	1,311,293	(51,429)	(604,455)	-	-	(59,241)	-	-	-	3,132,471	154,741	143,554	100,079	127,590	2,596,071
O	MSU	767,248	384,045	(252,367)	(196,456)	-	-	926,148	-	-	-	926,148	-	-	20,406	-	781,889
O	ONS	150,446	384,561	(7,946)	(196,456)	-	-	167,039	-	-	-	-	-	-	-	-	-
O	OUT	295,772	157,846	(5,075)	(87,408)	-	-	382,738	-	-	-	11,434	2,934	7,566	433	4,720	355,651
O	REC	144	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
INS GRP-MCD		15,213,607	8,207,217	(347,397)	(5,418,569)	-	(0)	1,148,163	-	-	-	19,308,130	1,247,388	468,213	419,198	737,235	16,185,705
MCR																	
I	ICU	2,470,381	8,466,829	(1,031,635)	(8,650,439)	-	-	1,556,775	-	-	-	1,448,549	43,652	-	-	-	364,363
I	INP	7,197,734	67,786,059	(6,590,027)	(62,114,714)	-	-	8,366,226	-	-	-	1,561,123	1,735,349	1,548,913	113,283	317,362	3,249,597
O	AMB	7,274,214	1,159,133	(218,634)	(1,159,912)	-	-	546,876	-	-	-	1,495,495	64,076	22,655	25,419	20,932	470,735
O	ER	1,159,959	4,639,372	(264,331)	(4,860,090)	-	-	17,131	(2,398)	-	-	684,127	359,609	94,367	17,349	28,566	137,674
O	MSU	4,647,207	30,145,094	(2,167,504)	(23,581,501)	-	-	9,716,669	-	-	-	3,561,235	2,215,107	543,837	429,942	325,722	2,630,736
O	ONS	296,791	658,440	(84,785)	(600,884)	-	-	209,183	-	-	-	-	-	-	-	-	-
O	OUT	1,518,743	617,642	(283,779)	(5,534,341)	-	-	2,098,773	-	-	-	748,443	184,809	110,490	95,130	121,086	151,139
O	REC	49,356	3,167	(341)	(927)	-	-	85	-	-	-	-	-	-	-	-	-
INS GRP-MCR		18,097,684	119,094,435	(10,631,440)	(106,474,885)	-	0	3,257,724	-	-	-	23,274,528	7,099,043	4,159,373	2,237,667	681,936	49,452
MINGO MCD																	
I	ICU	4,223,554	3,270,247	(314,500)	(2,235,170)	-	-	4,637,546	-	-	-	302,214	115,691	506,514	-	47,417	3,665,690
I	INP	20,048,735	34,316,288	(2,155,134)	(33,649,511)	-	-	43,357,154	-	-	-	4,411,741	4,199,437	4,379,558	2,076,567	1,764,425	26,521,376
O	AMB	956,437	1,006,765	(128,266)	(601,470)	-	-	1,305,075	-	-	-	64,412	51,196	105,467	59,566	63,346	1,040,497
O	ER	5,725,469	23,206,111	(1,545,551)	(18,667,348)	-	-	57,772	217,756	-	-	8,394,199	1,041,117	811,464	25,419	589,851	4,441,139
O	MSU	16,256,032	47,605,529	(3,316,662)	(23,991,366)	-	-	598,664	555,095	-	-	37,086,692	5,553,616	4,319,504	1,556,518	1,507,223	21,571,635
O	ONS	2,043,326	855,942	(61,672)	(1,612,824)	-	-	369,368	(210,632)	-	-	1,731,508	286,815	15,940	-	-	51,976
O	OUT	4,591,040	17,178,769	(1,424,221)	(9,679,400)	-	-	10,594,377	397,210	-	-	1,133,748	1,397,883	1,133,748	991,580	696,358	4,498,050
O	REC	8,783	127,397,237	(8,783)	(127,397,237)	-	0	6,638,515	-	-	-	10,594,377	11,531,710	10,102,214	5,140,607	4,719,648	63,054,500
INS GRP-MINGO MCD		53,803,715	127,397,237	(8,783)	(127,397,237)	-	0	6,638,515	-	-	-	10,594,377	11,531,710	10,102,214	5,140,607	4,719,648	63,054,500

HUDSON REGIONAL HOSPITAL
Period End Accounts Receivable by Bill Date
Jan-Dec 2023

MEMO NO		OPEN	NET	BILLED	RCPTS	ADJ	REFS	ACCT TYPE	INS	CHARGE	REFS	B40 DEBT	CLIENT	CLOSE	0-30	31-60	61-90	AGING	91-120	121-150	151+
I	ICU	597,636	3,197,695	(333,326)	(1,981,996)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
I	INP	9,033,677	43,368,344	(2,969,969)	(30,432,516)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
I	AMH	396,917	476,272	(57,655)	(264,277)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
O	ER	1,218,644	4,261,832	(274,453)	(3,613,493)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
O	MSU	11,703,512	33,617,484	(2,833,945)	(25,664,344)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
O	OBS	1,138,347	473,876	(81,370)	(1,070,479)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
O	OUT	2,096,055	9,277,221	(496,224)	(6,436,688)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
O	REC	326,817	6,969	(22,100)	(26,018)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
INS GRP- MIGO MGR		26,315,550	94,559,643	(7,065,039)	(69,489,810)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IF								-	-	-	-	-	-	-	-	-	-	-	-	-	-
I	ICU	1,783,282	1,688,587	(278,181)	(190,353)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
I	INP	30,452,237	57,184,566	(9,374,633)	(2,386,396)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
I	AMH	104,561	96,060	(12,302)	(16,986)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
O	ER	1,505,370	1,183,187	(1,037,035)	(382,083)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
O	INF	14	-	-	(14)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
O	MSU	51,663,768	64,634,458	(10,897,396)	(21,125,998)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
O	OBS	178,663	135,474	(14,988)	(14,988)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
O	OUT	23,006,636	15,285,579	(2,568,938)	(121,770)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
O	REC	111,954,531	140,212,110	(24,189,474)	(41,333,604)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
INS GRP- HF								-	-	-	-	-	-	-	-	-	-	-	-	-	-
OTHER								-	-	-	-	-	-	-	-	-	-	-	-	-	-
I	INP	208,193	1,544,601	-	(496,492)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
O	AMH	1,602	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
O	ER	208,708	1,035,514	-	(106,271)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
O	MSU	300,286	2,351,431	-	(1,086,643)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
O	OBS	(6,009)	23,555	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
O	OUT	382,006	2,980,840	-	(915)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
O	REC	25,636	2,816	-	(16,616)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
INS GRP- OTHER								-	-	-	-	-	-	-	-	-	-	-	-	-	-
SP								-	-	-	-	-	-	-	-	-	-	-	-	-	-
I	ICU	7,407,332	543,359	(15,003)	(1,804,218)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
I	INP	47,518,090	10,350,383	(366,752)	(10,596,733)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
I	AMH	2,251,486	1,397,488	(46,216)	(24,282)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
O	ER	43,990,135	13,986,370	(764,932)	(24,798,276)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
O	MSU	19,589,140	3,631,491	(784,975)	(3,537,777)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
O	OBS	2,504,266	27,468	(12,553)	(1,162,488)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
O	OUT	10,913,545	4,334,027	(305,046)	(1,185,488)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
O	REC	151,489	(9,315)	(288)	(39,351)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
INS GRP- SP								-	-	-	-	-	-	-	-	-	-	-	-	-	-
TP								-	-	-	-	-	-	-	-	-	-	-	-	-	-
O	ER		6,615.12					-	-	-	-	-	-	-	-	-	-	-	-	-	-
O	MSU							-	-	-	-	-	-	-	-	-	-	-	-	-	-
INS GRP- TP								-	-	-	-	-	-	-	-	-	-	-	-	-	-
WC								-	-	-	-	-	-	-	-	-	-	-	-	-	-
I	ICU	5,593,520	4,650,025	(607,803)	(4,411,432)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
I	INP	127,366,337	148,546,404	(27,271,905)	(99,914,570)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
O	AMH	145,015	71,441	(48,495)	(15,517)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
O	ER	4,286,342	1,635,747	(1,288,932)	(698,354)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
O	INF	62	-	-	(33)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
O	MSU	71,590,271	97,414,528	(10,725,631)	(51,101,974)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
O	OBS	1,897,466	1,968,904	(177,487)	(1,434,033)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
O	OUT	26,721,488	23,065,417	(3,394,402)	(15,246,907)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
O	REC	14,890	23,065,417	(3,394,402)	(15,246,907)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
INS GRP- WC								-	-	-	-	-	-	-	-	-	-	-	-	-	-
GRAND TOTAL								-	-	-	-	-	-	-	-	-	-	-	-	-	-
		1,106,545,109	1,350,387,145	(174,433,323)	(930,818,160)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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