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2020

Annual Report 2020: Combined Financial Statements

Lehigh Valley Health Network

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ANNUAL REPORT

20
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COMBINED
FINANCIAL
STATEMENTS



Your health deserves a partner.

COMBINED STATEMENTS OF FINANCIAL POSITION

(In Thousands) For the periods ended June 30, 2020 and 2019

	2020	2019
ASSETS		
Current Assets		
Cash and cash equivalents	451,960	\$148,941
Patient accounts receivable, net	328,365	326,931
Other accounts receivable	29,085	31,426
Other current assets	129,684	113,716
TOTAL CURRENT ASSETS	939,094	621,014
Noncurrent Assets		
Assets whose use is limited or restricted	1,779,713	1,594,326
Property and equipment, net	1,471,989	1,310,155
Right of use assets, leases	203,428	0
Partnership investments	16,557	6,678
Goodwill and intangible assets, net	180,719	110,512
Other noncurrent assets	26,197	15,732
TOTAL NONCURRENT ASSETS	3,678,603	3,037,403
Total Assets	4,617,697	3,658,417
LIABILITIES AND NET ASSETS		
Current liabilities		
Pension	14,965	14,736
Current portion of long-term debt	16,982	22,293
Capital lease and financing obligations	31,635	3,074
Other current liabilities	689,059	354,181
TOTAL CURRENT LIABILITIES	752,641	394,284
Noncurrent liabilities		
Long-term debt, net of current portion	1,129,533	809,546
Capital lease and financing obligations	303,184	128,956
Deferred compensation and other liabilities	143,778	128,858
Pension	249,545	169,758
Professional liability	121,199	95,222
Derivative instruments	1,999	11,238
Other liabilities	13,953	20,809
TOTAL NONCURRENT LIABILITIES	1,963,191	1,364,387
Total Liabilities	2,715,832	1,758,671
NET ASSETS		
LVHN and subsidiaries	1,616,866	1,618,706
Noncontrolling interests in subsidiaries	35,905	39,905
TOTAL UNRESTRICTED NET ASSETS	1,652,771	1,658,611
With donor restrictions	249,094	241,135
Total Net Assets	1,901,865	1,899,746
Total Liabilities and Net Assets	4,617,697	\$3,658,417

COMBINED STATEMENTS OF OPERATIONS

(In Thousands) For the periods ended June 30, 2020 and 2019

PATIENT SERVICES AND SUPPORTING OPERATIONS

Revenues

Net patient service revenue (net of contractual allowances and discounts)	2,951,268	\$2,919,754
Other supporting operations revenue	168,991	49,778
Net assets released from restrictions used for operations	9,414	8,664

TOTAL REVENUES **3,129,673** **2,978,196**

Expenses

Salaries and wages	1,444,976	1,344,413
Benefits	223,842	209,730
Supplies	573,404	570,431
Purchased services	355,605	337,763
Other	233,746	196,493
Depreciation and amortization	157,078	153,476
Interest expense	40,166	40,711
Bad Debt	7,862	6,887

TOTAL EXPENSES BEFORE INTEGRATION AND OTHER NON-RECURRING COSTS **3,036,679** **2,859,904**

Operating income before integration and other non-recurring costs 92,994 118,292

Integration and other non-recurring costs 9,020 2,958

Operating income **83,974** **115,334**

OTHER NONOPERATING GAINS AND LOSSES

Realized and unrealized investment earnings, net	35,025	44,568
Change in net unrealized (losses) gains on swaps	11,239	(1,824)
Other nonoperating gains	11,277	19,302
Loss of refinancing of debt	(3,949)	0
Other nonoperating gains and losses, net	53,592	62,046

Revenues and gains in excess of expenses and losses before income tax **137,566** **177,380**

Provision for income taxes (1,980) (2,555)

Revenues and gains in excess of expenses and losses before noncontrolling interests **135,586** **174,825**

Noncontrolling interests (11,799) (19,445)

Revenues and gains in excess of expenses and losses attributed to LVHN and subsidiaries **123,787** **\$155,380**

UNDERSTANDING THIS REPORT

The Combined Statements of Financial Position report our assets, liabilities and net assets. The Combined Statements of Operations report our revenues and expenses. The amount of revenues minus the amount of expenses creates our operating income.