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2021

Annual Report 2021: Combined Financial Statements

Lehigh Valley Health Network

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ANNUAL REPORT



COMBINED FINANCIAL STATEMENTS



Your health deserves a partner.

COMBINED STATEMENTS OF FINANCIAL POSITION

(In Thousands) For the periods ended June 30, 2021 and 2020

ASSETS	2021	2020
Current Assets		
Cash and cash equivalents	476,836	451,960
Patient accounts receivable, net	306,254	328,365
Other accounts receivable	48,286	29,085
Other current assets	155,762	129,684
TOTAL CURRENT ASSETS	987,138	939,094
Noncurrent Assets		
Assets whose use is limited or restricted	2,108,933	1,779,713
Property and equipment, net	1,637,131	1,471,989
Right of use assets, leases	196,952	203,428
Partnership investments	15,762	16,557
Goodwill and intangible assets, net	180,563	180,719
Other noncurrent assets	35,994	26,197
TOTAL NONCURRENT ASSETS	4,175,335	3,678,603
Total Assets	5,162,473	4,617,697
LIABILITIES AND NET ASSETS		
Current liabilities		
Pension	17,721	14,965
Current portion of long-term debt	20,021	16,982
Capital lease and financing obligations	30,461	31,635
Other current liabilities	684,293	689,059
TOTAL CURRENT LIABILITIES	752,496	752,641
Noncurrent liabilities		
Long-term debt, net of current portion	1,123,770	1,129,533
Capital lease and financing obligations	298,690	303,184
Deferred compensation and other liabilities	171,912	143,778
Pension	46,365	249,545
Professional liability	127,577	121,199
Derivative instruments	1,154	1,999
Other liabilities	38,410	13,953
TOTAL NONCURRENT LIABILITIES	1,807,878	1,963,191
Total Liabilities	2,560,374	2,715,832
NET ASSETS		
LVHN and subsidiaries	2,167,931	1,616,866
Noncontrolling interests in subsidiaries	43,193	35,905
Total net assets without donor restrictions	2,211,124	1,652,771
With donor restrictions	390,975	249,094
Total Net Assets	2,602,099	1,901,865
Total Liabilities and Net Assets	5,162,473	4,617,697

COMBINED STATEMENTS OF OPERATIONS

(In Thousands) For the periods ended June 30, 2021 and 2020

PATIENT SERVICES AND SUPPORTING OPERATIONS

Revenues

Net patient service revenue (net of contractual allowances and discounts)	3,287,343	2,951,268
Other supporting operations revenue	140,480	168,991
Net assets released from restrictions used for operations	9,193	9,414

TOTAL REVENUES

3,437,016 **3,129,673**

Expenses

Salaries and wages	1,548,478	1,444,976
Benefits	207,086	223,842
Supplies	670,261	573,404
Purchased services	388,381	355,605
Other	244,352	233,746
Depreciation and amortization	174,812	157,078
Interest expense	38,557	40,166
Bad Debt	9,143	7,862

TOTAL EXPENSES BEFORE INTEGRATION AND OTHER NON-RECURRING COSTS

3,281,070 **3,036,679**

Operating income before integration and other non-recurring costs 155,946 92,994

Integration and other non-recurring costs 5,214 9,020

Operating income

150,732 **83,974**

OTHER NONOPERATING GAINS AND LOSSES

Realized and unrealized investment earnings, net	259,534	35,025
Change in net unrealized gains on swaps	0	11,239
Other nonoperating gains	15,803	11,277
Loss of refinancing of debt	(48)	(3,949)
Other nonoperating gains and losses, net	275,289	53,592

Revenues and gains in excess of expenses and losses before income tax

426,021 **137,566**

Provision for income taxes (3,354) (1,980)

Revenues and gains in excess of expenses and losses before noncontrolling interests

422,667 **135,586**

Noncontrolling interests (20,620) (11,799)

Revenues and gains in excess of expenses and losses attributed to LVHN and subsidiaries

402,047 **123,787**

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.