

Shands Jacksonville HealthCare, Inc. and Subsidiaries

Consolidated Basic Statement of Net Position (Dollars in Thousands)

June 30, 2021

Assets

Current assets:	
Cash and cash equivalents	\$ 131,801
Short-term investments	80,944
Patient accounts receivable, net of allowance for uncollectibles of \$81,155	120,938
Due from city and state agencies	8,597
Inventories	18,233
Prepaid expenses and other current assets	11,076
Assets whose use is restricted, current portion	1,740
Total current assets	373,329
Assets whose use is restricted, less current portion	26,016
Capital assets, net	273,371
Investment	15,526
Other assets	23,768
Total assets	712,010

Deferred outflows of resources

Accumulated decrease in fair value of hedge derivatives	1,204
Deferred other postemployment benefits outflows	920
Deferred pension outflows	1,171
Total deferred outflows of resources	3,295

Liabilities

Current liabilities:	
Long-term debt, current portion	9,046
Capital lease obligations, current portion	2,869
Finance obligation, current portion	609
Accounts payable and accrued expenses	57,893
Accrued salaries and leave payable	44,241
Estimated third-party payor settlements	52,973
Total current liabilities	167,631
Long-term liabilities:	
Long-term debt, noncurrent portion	207,878
Capital lease obligations, noncurrent portion	5,418
Other liabilities	52,534
Total long-term liabilities	265,830
Total liabilities	433,461

Deferred inflows of resources

Deferred other postemployment benefits inflows	2,073
Deferred pension inflows	4,484
Total deferred inflows of resources	6,557
Commitments and contingencies	

Net position

Net investment in capital assets	48,114
Restricted:	
Expendable	5,032
Unrestricted	222,141
Total net position	\$ 275,287

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

Shands Jacksonville HealthCare, Inc. and Subsidiaries

Consolidated Basic Statement of Revenues, Expenses and
Changes in Net Position
(Dollars in Thousands)

Year Ended June 30, 2021

Operating revenues

Net patient service revenue, net of provision for bad debts of \$80,267	\$ 806,857
Other operating revenue	<u>16,535</u>
Total operating revenues	<u>823,392</u>

Operating expenses

Salaries and benefits	374,145
Supplies and services	413,688
Depreciation and amortization	<u>33,249</u>
Total operating expenses	<u>821,082</u>
Operating income	<u>2,310</u>

Nonoperating revenues (expenses)

Interest expense	(7,449)
Grant revenue	42,415
Net investment loss, including change in fair value	(173)
Loss on disposal of capital assets, net	(203)
Other nonoperating gain, net	<u>63</u>
Total nonoperating revenue, net	<u>34,653</u>
Excess of revenues over expenses before capital contributions	36,963
City of Jacksonville capital grant	27,698
Capital contributions, net	<u>305</u>
Increase in net position	64,966

Net position

Beginning of year	<u>210,321</u>
End of year	<u>\$ 275,287</u>

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Shands Jacksonville HealthCare, Inc. and Subsidiaries

Consolidated Basic Statement of Cash Flows
(Dollars in Thousands)

Year Ended June 30, 2021

Operating activities

Cash received from patients and third-party payors	\$ 789,983
Other receipts from operations	16,130
Salaries and benefits paid to employees	(360,495)
Payments to suppliers and vendors	(399,059)
Net cash provided by operating activities	<u>46,559</u>

Noncapital financing activities

Interest paid	(586)
Proceeds from grant	45,699
Payments of long-term debt	(1,023)
Net cash provided by noncapital financing activities	<u>44,090</u>

Capital and related financing activities

Payments for capital assets	(50,298)
Proceeds from sale of capital assets	121
Payments of long-term debt and capital lease obligations	(11,131)
Payments of other capital borrowings	(478)
Interest paid	(7,329)
City of Jacksonville capital grant	24,849
Capital contributions	305
Net cash used in capital and related financing activities	<u>(43,961)</u>

Investing activities

Investment income received	2,652
Purchase of short-term investments and assets whose use is restricted, net	(49,747)
Net cash used in investing activities	<u>(47,095)</u>

Net decrease in cash and cash equivalents (407)

Cash and cash equivalents

Beginning of year	<u>132,208</u>
End of year	<u>\$ 131,801</u>

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

Shands Jacksonville HealthCare, Inc. and Subsidiaries

Consolidated Basic Statement of Cash Flows (continued)
(Dollars in Thousands)

Reconciliation of operating income to net cash provided by operating activities

Operating income	\$ 2,310
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	33,249
Provision for bad debts	80,267
Changes in:	
Patient accounts receivable	(94,774)
Prepaid expenses, inventories and other current assets	(122)
Other assets	768
Accounts payable and accrued expenses	25,990
Estimated third-party payor settlements	(2,366)
Other liabilities	1,237
Total adjustments	<u>44,249</u>
Net cash provided by operating activities	<u>\$ 46,559</u>

Disclosure of supplemental cash flow information

Capital assets purchased through capital lease obligations and other borrowings	\$ 5,837
Net decrease in fair value of investments	(2,811)
Net change in fair value of nonhedged derivatives and other nonoperating gains	63
Loss related to undepreciated costs on capital asset disposals	390
Accrued purchases of property and equipment	3,463

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