Trinitas Regional Medical Center Obligated Group
Consolidated Balance Sheet
At March 31, 2021 and December 31, 2020
(Unaudited)

	March 2021	December 2020
Assets		
Current Assets:		
Cash and cash equivalents (includes certificates of deposit)	$ 159,004,563	$ 165,474,120
Assets whose use is limited	5,312,858	4,760,013
Patient accounts receivable, net	22,741,303	23,385,715
Other receivables	6,179,223	3,435,564
Other current assets	7,923,211	6,580,172
Total current assets	201,161,158	203,635,584
Assets Whose Use is Limited and Investments		
Assets whose use is limited:		
Internally designated	123,748,577	122,891,873
Other internally designated	14,322,843	13,980,668
Donor restricted	3,546,854	4,239,737
Investments	36,086,921	36,004,190
Total assets whose use is limited and investments	177,705,195	177,116,468
Beneficial Interest in Net Assets of Trinitas Health Foundation	12,265,884	11,588,452
Property and Equipment (net of accumulated depreciation of $287,656,000 and $284,479,000 in 2021 and 2020, respectively)	98,025,746	92,912,378
Right-of-Use Assets	9,697,261	9,029,306
Other Assets	9,278,779	9,278,779
Total	$ 508,134,023	$ 503,560,967
Liabilities and Net Assets		
Current Liabilities:		
Current portion of long-term debt	$ 5,865,000	$ 5,865,000
Current portion of operating lease obligation	2,084,542	2,421,734
Accounts payable, construction payable and accrued expenses	35,975,289	34,806,907
Deferred revenue - CARES stimulus payments	9,767,667	17,138,682
Deferred revenue	8,249,635	3,488,766
Advances from Medicare	8,400,754	8,400,754
Estimated settlements with third-party payors	6,089,572	6,324,644
Total current liabilities	76,432,459	78,446,487
Estimated Settlements with Third-party Payors	53,508,013	51,856,561
Long-Term Debt	74,291,259	74,575,394
Operating Lease Obligations	7,612,719	6,607,572
Advances from Medicare	17,927,095	17,927,095
Other Long-Term Liabilities	27,439,558	27,152,582
Total liabilities	257,211,103	256,565,691
Net Assets		
Without donor restrictions	235,110,183	231,167,082
With donor restrictions	15,812,737	15,828,194
Total net assets	250,922,920	246,995,276
Total	$ 508,134,023	$ 503,560,967

Trinitas Regional Medical Center Obligated Group

Consolidated Statement of Operations

For the Three Months Ended March 31, 2021 and 2020

(Unaudited)

	March 2021	March 2020
Revenues		
Net patient service revenue	$ 54,281,869	$ 54,812,947
CARES Act stimulus payments - operating	5,367,443	-
Other revenue	17,743,923	16,801,955
Net assets released from restrictions used for operations	69,113	141,478
Total revenues	77,462,348	71,756,380
Expenses		
Salaries and wages	35,102,636	35,461,640
Employee benefits	7,325,195	7,509,130
Supplies and other	30,906,923	29,184,312
Depreciation	3,176,870	2,768,255
Interest and amortization	647,276	651,661
Total expenses	77,158,900	75,574,998
Operating Income (Loss)	303,448	(3,818,618)
Nonoperating Gains and (Losses)		
Interest, dividends and other	704,566	1,040,448
Net realized gains on investments	600,479	1,369,242
Change in unrealized (losses)/gains on investments	(489,971)	(13,116,591)
Total nonoperating gains/(losses)	815,074	(10,706,901)
Revenues and Nonoperating Gains Over (Under) Expenses	$ 1,118,522	$ (14,525,519)

Trinitas Regional Medical Center Obligated Group
Consolidated Statement of Changes in Net Assets
For the Three Months Ended March 31, 2021 and 2020
(Unaudited)

	March 2021	March 2020
Without Donor Restrictions:		
Revenues and nonoperating gains over (under) expenses	$ 1,118,522	$ (14,525,519)
Net assets released from restrictions used for purchase of property and equipment	636,419	557,841
CARES Act stimulus payments - capital	2,188,155	-
Increase (decrease) in without donor restrictions net assets	3,943,096	(13,967,678)
With Donor Restrictions:		
Contributions	69,999	136,237
Interest and dividends	-	3,667
Change in unrealized gains on investments	(57,351)	(24,888)
Net assets released from restrictions	(705,532)	(699,319)
Change in beneficial interest in net assets of Trinitas Health Foundation	677,432	1,925,244
Increase (decrease) in with donor restrictions net assets	(15,452)	1,340,941
Increase (decrease) in Net Assets	3,927,644	(12,626,737)
Net Assets		
Beginning of year	246,995,276	226,535,894
End of year	$ 250,922,920	$ 213,909,157

Trinitas Regional Medical Center Obligated Group
Consolidated Statement of Cash Flows
For the Three Months Ended March 31, 2021 and 2020
(Unaudited)

	March 2021	March 2020
Cash Flows from Operating Activities		
Increase (decrease) in net assets	$ 3,927,644	$ (12,626,737)
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	3,176,870	2,768,255
Lease expense	909,527	938,074
Change in right-of-use asset and lease obligation, net	8,360	75
Amortization of deferred financing costs	16,686	17,988
Amortization of deferred bond premium	(300,821)	(324,140)
Restricted contributions for capital additions	(636,419)	(557,841)
Change in net unrealized gains and losses on other than trading securities	489,971	13,116,591
Net realized gains and losses on investments	(600,479)	(1,369,242)
Change in beneficial interest in net assets of Trinitas Health Foundation	(677,432)	(1,925,244)
Change in assets and liabilities:		
Patient accounts receivable	689,877	2,280,770
Other receivables	(2,789,124)	(4,043,880)
Other current assets and other assets	(1,399,571)	(359,669)
Accounts payable, construction payable and accrued expenses	1,224,914	(3,641,743)
Deferred revenue - CARES stimulus payments	(7,371,015)	-
Deferred revenue	4,760,869	189,871
Estimated settlements with third-party payors	1,416,380	(171,836)
Other long-term liabilities	286,976	(1,335,565)
Lease payments	(917,887)	(938,149)
Net cash provided by (used in) operating activities	2,215,326	(7,982,422)
Cash Flows from Investing Activities		
Acquisition of property and equipment and construction	(8,290,238)	(3,082,959)
Purchases of investments and assets whose use is limited, net	(1,133,229)	334,703
Net cash used in investing activities	(9,423,467)	(2,748,256)
Cash Flows from Financing Activities		
Restricted contributions for capital additions	636,419	557,841
Net cash provided by financing activities	636,419	557,841
Net Decrease in Cash and Cash Equivalents	(6,571,722)	(10,172,837)
Cash and Cash Equivalents, Beginning	172,857,212	135,274,979
Cash and Cash Equivalents, Ending	$ 166,285,490	$ 125,102,142
Supplemental Disclosure of Cash Flow Information,		
Interest paid	$ 1,842,000	$ 1,983,438
Reconciliation of Cash and Cash Equivalents and Restricted Cash and Cash Equivalents:		
Cash and cash equivalents	$ 159,004,563	$ 116,732,191
Current portion of assets whose use is limited, under trust indenture	5,312,858	5,251,192
Assets whose use is limited, included in donor restricted	1,968,069	3,118,759
Total cash, cash equivalents and restricted cash and cash equivalents	$ 166,285,490	$ 125,102,142

1. Reporting Organizations

The consolidated financial statements include the accounts of Trinitas Regional Medical Center (the "Medical Center"), Marillac Corporation ("Marillac"), a wholly owned subsidiary of the Medical Center and Trinitas Physicians Practice, LLC.

Elizabeth General Medical Center and St. Elizabeth Hospital in 2000, merged to form Trinitas Hospital, a not-for-profit, tax-exempt, voluntary, acute health care provider located in Elizabeth, New Jersey. Trinitas Hospital officially changed its name to Trinitas Regional Medical Center as of October 2008. The Medical Center provides inpatient, outpatient, and emergency care services for local residents. Admitting physicians are primarily practitioners from the local area.

Marillac, a not-for-profit, tax-exempt corporation pursuant to Section 501(c)(3) of the Internal Revenue Code, owns and operates a medical office building in Elizabeth, New Jersey.

Trinitas Physicians Practice, LLC, (TPP, LLC) a New Jersey professional limited liability company (LLC), a for-profit taxable entity.

The sole member of the Medical Center is Trinitas Health (the "Parent"), a tax-exempt holding company. Both the Parent and the Medical Center are tax-exempt organizations, pursuant to Section 501(c)(3) of the Internal Revenue Code.

The Medical Center is an affiliated member of the Parent, the controlling entity. Other affiliates of Trinitas Health include: Trinitas Healthcare Corporation, Trinitas Health Services Corporation and subsidiary, and Trinitas Health Foundation and Affiliate (the "Foundation"). Only the Medical Center's financial statements and its subsidiaries including Marillac and Trinitas Physicians Practice, LLC are presented herein. The Parent's affiliates, with the exception of Trinitas Health Services Corporation, are not-for-profit, tax-exempt organizations. Trinitas Health Services Corporation is a for-profit, taxable entity.

2. Presentation

The consolidated financial statements are unaudited and include all adjustments which are, in the opinion of Management, necessary for a fair presentation of the Obligated Group's financial position at March 31, 2021 and 2020, its result of operations and its changes in net assets and cash flows for the three months ended March 31, 2021 and 2020 in conformity with accounting principles generally accepted in the United States of America. Certain information and footnote disclosures normally included in financial statements prepared in accordance with such accounting principles have been omitted.

These consolidated financial statements should be read in conjunction with Trinitas Regional Medical Center's audited consolidated financial statements and notes thereto for the years ended December 31, 2020.

3. Net Patient Service Revenue

Patient care service revenues are recognized at the amount that reflects the consideration to which the Medical Center expects to be entitled to in exchange for providing patient care. These amounts are due from patients, third-party payors (including commercial and governmental programs), and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews and investigations. Generally, the Medical Center bills the patients and third-party payors several days after the services are performed and/or the patient is discharged from the facility. Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by the Medical Center. Revenue for performance obligations satisfied over time is recognized based on actual services incurred in relation to total expected (or actual) payments. The Medical Center believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patients in the Medical Center receiving inpatient acute care services. The Medical Center measures the performance obligation from admission into the facility to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge. Revenue for performance obligations satisfied at a point in time are recognized when services are provided and the Medical Center does not believe it is required to provide additional services to the patient.

Generally, because all the Medical Center's performance obligations relate to contracts with a duration of less than one year, the Medical Center has elected to apply the optional exemption provided in Accounting Standard Codification ("ASC") 606-10-50-14(a) and, therefore, the Medical Center is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The unsatisfied or partially unsatisfied performance obligations referred to above are primarily related to inpatient acute care services at the end of the reporting period. The performance obligations for these contracts are generally completed when the patients are discharged, which generally occurs within days or weeks of the end of the reporting period.

The Medical Center determines the transaction price based on standard charges for services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with the Medical Center's policy, and /or implicit price concessions provided to uninsured patients. The Medical Center determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policies and historical experience. The Medical Center determines its estimate of implicit price concessions based on its historical collection experience with this class of patients.

The composition of the Medical Center's patient care service revenue by payor (which excludes state subsidies) for the three months ended March 31, 2021 and 2020 is as follows:

	2021	2020
Medicare	$ 20,297,336	$ 20,768,285
Medicaid	17,893,153	19,051,157
Other third party payors	14,787,038	14,454,290
Self-pay and other	1,304,342	539,215
Total	$ 54,281,869	$ 54,812,947

The composition of patient care service revenue based on the Medical Center's lines of business (which excludes state subsidies) for the three months ended March 31, 2021 and 2020 is as follows:

	2021	2020
Medical Center	$ 50,896,916	$ 51,437,552
Long-term care	1,359,700	1,838,465
Physicians practice	2,025,253	1,536,930
Total	$ 54,281,869	$ 54,812,947

Agreements with third-party payors typically provide for payments at amounts less than established charges. A summary of the payment arrangements with major third-party payors are as follows:

- Medicare: Certain inpatient acute care services are paid at prospectively determined rates per discharge based on clinical, diagnostic and other factors. Certain services are paid based on cost-reimbursement methodologies subject to certain limits. Physician services are paid based upon established fee schedules. Outpatient services are paid using prospectively determined rates. Reimbursements for cost reimbursable items are received at tentative interim rates, with final settlement determined after submission of annual cost reports by the Medical Center and audits thereof by the Medicare fiscal intermediary. The Medical Center's Medicare cost reports have been settled by the Medicare fiscal intermediary through December 31, 2016.

- Medicaid: Reimbursements for Medicaid services are generally paid at prospectively determined rates per discharge, per occasion of service or per covered member. Outpatient services are paid based on a cost reimbursement methodology. The Medical Center's Medicaid cost reports have been settled by the Medicaid fiscal intermediary through December 31, 2018.

- Other: Payment agreements with certain commercial managed care, Medicare and Medicaid managed care insurance carriers, health maintenance organizations and preferred provider organizations provide for payment using prospectively determined rates per discharge, or per diem, or discounts from established charges and prospectively determined daily rates.

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. As a result of investigations by governmental agencies, various health care organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in organizations entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties and potential exclusion from the related programs. There can be no assurance that regulatory authorities will not challenge the Medical Center's compliance with these laws and regulations, and it is not possible to determine the impact (if any) such claims or penalties would have upon the Medical Center. In addition, the contracts the Medical Center has with commercial payors also provide for retroactive audit and review of claims.

Settlements with third-party payors for retroactive 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. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor and the Medical Center'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 (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews and investigations. Revenue received under third-party arrangements is subject to audit and retroactive adjustments. For the three months ended March 31, 2021 and 2020, respectively, $275,347 and $636,423 was recorded as a positive transaction price adjustment in net patient service revenue in the consolidated statement of operations related to final settlements of prior year cost reports and other settlements.

Generally, patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Medical Center also provides services to uninsured patients, and offers those uninsured patients a discount, either by policy or law, from standard charges. The Medical Center estimates the transaction price for patients with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. The initial estimate of the transaction prices including bad debts is determined by reducing the standard charge by any contractual adjustments, discounts and implicit price concessions. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue including bad debts in the period of the change. For the three months ended March 31, 2021 and 2020, revenue was increased by $92,168 and $166,394, respectively, due to changes in estimates of implicit price concessions for performance obligations satisfied in prior years.

Consistent with the Medical Center's mission, care is provided to patients regardless of their ability to pay. Therefore, the Medical Center has determined it has provided implicit price concessions to uninsured patients and patients with other uninsured balances (for example, copays and deductibles). The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and the amounts the Medical Center expects to collect based on its collection history with those patients.

The Medical Center disaggregates revenue from contracts with customers by type of service and payor source as this depicts the nature, amount, timing and uncertainty of its revenue and cash flows as affected by economic factors.

4. Healthcare Payment Proposals

The healthcare industry is subject to numerous laws and regulations of federal, state and local governments. Compliance with these laws and regulations is subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

Government activity continues to increase with respect to investigations and allegations concerning possible violations by healthcare providers of fraud and abuse statues and regulations, which could result in the imposition of significant fines and penalties as well as significant repayments for patient services previously billed. Management is not aware of any material incidents of noncompliance that have not been provided for in the accompanying financial statements; however, the possible future financial effects of this matter on the Medical Center, if any, are not presently determinable.

5. Advances from Medicare and CARES Act Stimulus Payments

The COVID-19 pandemic evolved rapidly in the State of New Jersey. In response to the pandemic, the Governor of New Jersey declared a state of emergency and was declared a national state of emergency. Although the number of diagnosed, active cases in the tri-state area has significantly decreased by the end of June, the impact will continue to be felt for an extended period of time as providers begin to work toward bringing operations back.

The COVID-19 outbreak disrupted business activity across a range of industries. The extent of the impact of COVID-19 on the Medical Center's operational and financial performance depends on certain developments, including the impact on the demand for the Medical Center's services, the availability of staff and needed supplies, adverse impact on the cost of employee health benefits and the potential future waves of the outbreak, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 will impact the Medical Center's future financial condition and the results of operations is uncertain.

The Medical Center received from Medicare advance payments in the amount of $26,327,849 relating to the COVID-19 outbreak of which payback in the amount of $8,400,754 is required within one year and is classified as current liabilities in advances from Medicare and the remaining balance is classified as non-current liabilities on the consolidated balance sheet.

In addition, the Medical Center received CARES Act Stimulus payments which are subject to certain reporting requirements concerning how the funds are spent and will be accounted for as a grant. The grant will be applied to operations and capital items separately and reflected in operations and changes in net assets, respectively, and these funds need to be used by June 30, 2021 or returned. These reporting regulations have not been finalized and are subject to change.

	CARES Payments
Total CARES stimulus payments received in 2020	$ 57,057,312
Total payments applied to operating revenue in 2020	(37,484,976)
Total payments applied to capital expenditures in 2020	(2,433,654)
Deferred revenue - CARES stimulus payments, as of December 31, 2020	17,138,682
Total CARES stimulus payments received in 2021	184,583
Total payments applied to operating revenue in 2021	(5,367,443)
Total payments applied to capital expenditures in 2021	(2,188,155)
Deferred revenue - CARES stimulus payments, as of March 31, 2021	$ 9,767,667

Lastly, the Medical Center is evaluating and pursuing various grants and insurance recoveries including Business Interruption and Federal Emergency Management Agency (FEMA). The outcomes of these recoveries are not determinable at this time.

6. Subsequent Events

The Medical Center evaluated subsequent events for recognition or disclosure through May 11, 2021, the date the financial statements were available to be issued.

7. New Accounting Pronouncements

Revenue Recognition
In 2018, the Medical Center adopted the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* using the full retrospective approach. ASU No. 2014-09 supersedes the revenue recognition requirements in Topic 605, Revenue Recognition, and most industry-specific guidance. The core principle under ASU No. 2014-09 is that revenues are recognized to depict the transfer of promised goods or services to customers (patients) in an amount that reflects the consideration at which the entity expects to be entitled in exchange for those goods or services. Additionally, ASU No. 2014-09 requires enhanced disclosures of revenue arrangements.

The most significant impact of adopting the new standard is within the consolidated statements of operations. Certain patient activity where collections was uncertain, previously included as net patient service revenue and separately recorded as the provision for bad debts, no longer meets the criteria for revenue recognition. Accordingly, net patient service revenue has been reduced by the amounts previously reported as the provision for bad debts and accordingly the provision for bad debts has been eliminated. Such patient activity, previously reported as the provision for bad debts (representing approximately $4.1 million and $4.3 million for the three months ended March 31, 2021 and 2020, respectively) is now classified as an implicit price concession. In addition, the Medical Center eliminated the related presentation of the allowance for doubtful accounts on the consolidated balance sheet as a result of the adoption of the new standard.

8. Liquidity and Availability

As of March 31, 2021 and 2020, financial assets available for general expenditure within one year of the balance sheet date, consists of the following:

Financial assets available for general expenditures within one year of the balance sheet date, consists of the following:

	2021	2020
Cash and cash equivalents	$ 159,004,563	$ 116,732,191
Accounts receivable, net	22,741,303	29,556,872
Investments	36,086,921	31,673,554
Assets limited to use:		
Board-designated	123,748,577	106,470,452
Total	$ 341,581,364	$ 284,433,069

The Medical Center has certain board-designated assets limited to use which are available for general expenditure within one year in the normal course of operations. Accordingly, these assets have been included in the qualitative information above. The Medical Center has other assets limited to use for donor-restricted purposes, debt service, and for other internally designated funds.

As part of the Medical Center's liquidity management plan, cash in excess of daily requirements are invested in short-term investments and US Treasury money market funds. The board of trustees established a funded depreciation account for future capital needs of the Medical Center; these funds may be drawn upon, if necessary, to meet unexpected liquidity needs.

At March 2021, the Medical Center did not renew the line of credit. At March 2020, $5,000,000 remained available on the Medical Center's line of credit.

9. Right-of-Use Operating Leases

The Medical Center has operating leases for equipment leases which are for medical equipment to provide medical services and for real estate leases which are for administrative office space and space to provide outpatient medical services. For the equipment leases, the equipment will be returned to the lessor at the end of the respective leases. The leases have remaining lease terms of 1 year to 10 years, some of which include options to extend the leases for up to 5 years.

For the three months ended March 31, 2021, the components of the leases were as follows:

	Equipment Leases	Real Estate Leases	Total
Operating lease expense	$ 386,365	$ 523,162	$ 909,527

For the three months ended March 31, 2021, supplemental cash flow information related to leases was as follows:

	Equipment Leases	Real Estate Leases	Total
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	$ 397,166	$ 520,721	$ 917,887

As of March 31, 2021, supplemental balance sheet information related to leases was as follows:

	Equipment Leases	Real Estate Leases	Total
Operating Leases			
Right-of-use assets	$ 3,906,049	$ 5,791,212	$ 9,697,261
Other liabilities	$ -	$ 9,765	$ 9,765
Operating lease obligations	3,906,049	5,781,447	9,687,496
Lease liabilities	$ 3,906,049	$ 5,791,212	$ 9,697,261
Weighted Average Remaining Lease Term			
Operating leases	3.37 years	3.82 years	3.64 years
Weighted Average Discount Rate			
Operating leases	5.90%	5.80%	5.84%

As of March 31, 2021, maturities of lease liabilities were as follows:

	Equipment Leases	Real Estate Leases	Total
Year Ending December 31,			
2021 (9 months)	$ 1,191,498	$ 1,562,163	$ 2,753,661
2022	1,255,426	1,384,622	2,640,048
2023	1,132,871	1,092,173	2,225,044
2024	1,048,655	940,427	1,989,082
2025	131,011	836,874	967,885
Thereafter	-	1,558,367	1,558,367
Total lease payments	4,759,461	7,374,626	12,134,087
Less imputed interest	(853,412)	(1,583,414)	(2,436,826)
Total	$ 3,906,049	$ 5,791,212	$ 9,697,261

10. Functional Expenses

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Medical Center. These expenses include depreciation, interest and amortization, administration, communications, media production, information technology, and facilities operations and maintenance. Depreciation is allocated based on square footage and interest is allocated based on usage of space. Costs of other categories were allocated on estimates of time and effort.

Functional expenses for the three months ended March 31, 2021

	Healthcare Services	Medical Office Building	General and Administrative	Total
Salaries and wages	$ 30,678,126	$ -	$ 4,424,510	$ 35,102,636
Employee benefits	6,577,175	-	748,020	7,325,195
Supplies and other	24,068,380	219,785	6,618,758	30,906,923
Depreciation	2,709,424	102,133	365,313	3,176,870
Interest and amoritization	570,198	-	77,078	647,276
Total	$ 64,603,302	$ 321,918	$ 12,233,680	$ 77,158,900

Functional expenses for the three months ended March 31, 2020

	Healthcare Services	Medical Office Building	General and Administrative	Total
Salaries and wages	$ 30,874,583	$ -	$ 4,587,057	$ 35,461,640
Employee benefits	6,537,804	-	971,326	7,509,130
Supplies and other	22,752,143	223,425	6,208,744	29,184,312
Depreciation	2,356,236	95,009	317,010	2,768,255
Interest and amoritization	574,060	-	77,601	651,661
Total	$ 63,094,827	$ 318,434	$ 12,161,737	$ 75,574,998

11. Charity Care and Subsidy Revenue

The Medical Center receives subsidy payments from the State of New Jersey to partially fund charity care and certain other program costs. Subsidy payments included in other revenue for the three months ended March 31, 2021 and 2020 are as follows:

	2021	**2020**
Charity care	$ 7,795,743	$ 7,112,806
Delivery System Reform Incentive Payment (DSRIP)	-	2,153,180
Quality Improvement Plan (QIP)	2,568,183	-
Mental health	452,878	452,878
Total	$ 10,816,804	$ 9,718,864

The Medical Center is amortizing the DSRIP and QIP incentive payments over the program's respective fiscal years, which end on June 30. The Delivery System Reform Incentive Payment (DSRIP) program has been replaced by the Quality Improvement Plan (QIP) program on July 1, 2020. For the three months ended March 31, 2021 and 2020, incentive payments in the amounts of $2,568,183 and $2,153,180, respectively, were recognized in other revenue in the consolidated statement of operations.

The Medical Center, as part of its mission, provides medical care without charge or at reduced charges to residents of its community through the provision of charity care. The Medical Center's definition of charity care is in accordance with state regulations and includes services provided at no or partial charge to the uninsured or underinsured.

Patients who meet the State of New Jersey's criteria for charity care are provided care without charge or at amounts less than established rates. Such amounts determined to qualify as charity care are not reported as revenue. Charges for charity care rendered were $33,542,826 and $33,241,767 for the three months ended March 31, 2021 and 2020, respectively.

12. Long-term Debt

The Medical Center has outstanding New Jersey Health Care Facilities Financing Authority (the "Authority") tax exempt Refunding and Revenue Bonds, Series 2016A (the "Series 2016A Bonds"), bearing interest at 5 percent per annum. The initial $13,810,000 in proceeds from the sale of the Series 2016A Bonds were used to refund Series 2006 Bonds and pay for debt issuance costs. The principal amounts are payable annually on July 1, and interest is payable semiannually on January 1 and July 1 through 2030. The Series 2016A Bonds are collateralized by substantially all of the Obligated Group's property and equipment and gross receipts.

The Medical Center has outstanding Authority Refunding Bonds, Series 2017A (the "Series 2017A Bonds"), bearing interest at 5 percent per annum. The initial $82,970,000 in proceeds from the sale of the Series 2017A Bonds combined with the debt service reserve funds released by the trustee relating to the Series 2007A Bonds and Series 2007B Bonds were used to refund Series 2007A Bonds and Series 2007B Bonds and pay debt issuance costs. The principal amounts are payable annually on July 1, and interest is payable semiannually on January 1 and July 1 through 2030. The Series 2017A Bonds are collateralized by substantially all of the Obligated Group's property and equipment and gross receipts.

13. Cogeneration Energy Project

The Medical Center received final approval from the Energy Resilience Bank ("ERB"), for a plant electrical and steam generation project. The project provides additional energy production which will be powered by natural gas during prolonged electrical outages. The project has an estimated cost of $10.1 million. The financing of the project consists of a combination of grants for $6.6 million and a loan from the Department of Housing and Urban Development ("HUD") for approximately $3.5 million at 2% payable over 20 years. A portion of the grants, approximately $745,000, has to be repaid over ten years, interest free. Final construction and engineering costs were finalized and approved by ERB and HUD and the transaction closed during the first quarter of 2019 and construction began in the last quarter of 2020. The debt and grants will be drawn down as construction occurs and there is no interest charged during the construction period. Upon the completion of the project, the loan will be finalized and payment amortization will begin. At March 31, 2021, $4,607,200 was included in deferred revenue on the consolidated balance sheet. At March 31, 2021 and 2020, project costs of $7,469,527 and $501,748, respectively, are reflected in property and equipment, net, on the consolidated balance sheet.

14. Administrative Services Building Project

In June of 2019, the Medical Center signed various agreements with a developer. The developer in 2021 has obtained the necessary regulatory approvals and financing for the project. The project includes the demolishment of the existing Administration Services Building and construction of an approximately 46,000 rentable square feet (RSF) Medical Office building, to be owned by the developer or designee. Further the Medical Center entered into agreements with the developer for a ground lease, medical office space lease and the construction of a parking garage. The ground lease covers a term of 50 years, .6455 of an acre and annual rental income of $47,004, indexed by annual increases of 2.5% for the first ten years then adjusted to market value. The medical office space lease key terms are for a term of 15 years, for approximately 18,000 RSF, at $25.35 RSF indexed by annual increases of 2.5% plus operating expenses and fit out costs of approximately $4.3 million. In May of 2020, the Medical Center entered into additional agreements with the developer for medical office space lease. The additional medical office space lease key terms are for a term of 15 years, for approximately 14,000 RSF, at $20.25 RSF indexed by annual increases of 2.5% plus operating expenses and fit out costs not yet finalized.

At the commencement date, (completion of construction) a final determination will be made to determine the accounting for the leases. The expected completion date is 12 to 18 months from the date of obtaining all necessary approvals. Lastly, the project includes a parking garage construction contract for a four story, 300 spaces garage for $10,188,472 which will be owned by the Medical Center. At March 31, 2021, the Medical Center has incurred construction costs of $826,538 related to the parking garage, which are included within construction in progress in property and equipment, net, on the consolidated balance sheet.

15. Discussions With RWJ Barnabas

The Medical Center has engaged in affiliation negotiations with RWJ Barnabas Health, Inc. (the "Corporation") located in West Orange, New Jersey. In November 2020, the Medical Center and the Corporation signed a Definitive Agreement. The Agreement is subject to the approval of State, Federal and the Catholic Church authorities. It is not currently possible to determine if, or when, a transaction with the Corporation will be completed.

TRINITAS REGIONAL MEDICAL CENTER
MARCH 31, 2021 AND 2020
INPATIENT STATISTICS

	2021 ACTUAL TOTAL	2020 ACTUAL TOTAL
ADMISSIONS		
MEDICAL	1,155	1,182
SURGICAL	306	274
OBSTETRICS	289	305
NEWBORN	281	292
ADULT & ED PSYCH	275	377
ADOLESCENT PSYCH	96	96
DEVELOP DISABLED	39	63
	2,441	2,589
SAME DAY SURGERY	796	855
	3,237	3,444
INTERMEDIATE PSYCH	37	40
RESIDENTIAL UNIT	6	3
LONG TERM CARE	38	48
	81	91
PATIENT DAYS		
MEDICAL	6,767	6,901
SURGICAL	3,022	2,946
OBSTETRICS	841	824
NEWBORN	918	805
ADULT & ED PSYCH	2,597	3,795
ADOLESCENT PSYCH	821	1,107
DEVELOP DISABLED	481	795
	15,447	17,173
SAME DAY SURGERY	796	855
	16,243	18,028
INTERMEDIATE PSYCH	2,238	1,477
RESIDENTIAL UNIT	1,134	1,365
LONG TERM CARE	8,702	10,649
	12,074	13,491
ALOS		
MEDICAL	5.9	5.8
SURGICAL	9.9	10.8
OBSTETRICS	2.9	2.7
NEWBORN	3.3	2.8
ADULT & ED PSYCH	9.4	10.1
ADOLESCENT PSYCH	8.6	11.5
DEVELOP DISABLED	12.3	12.6
TOTAL W/O SDS	6.3	6.6
INTERMEDIATE PSYCH	60.5	36.9
RESIDENTIAL UNIT	189.0	455.0
LONG TERM CARE	229.0	221.9
	149.1	148.3
CARDIAC CATH LAB I/P		
CARDIAC CATHS	63	59
EMERGENCY ANGIO	11	7
ELECTIVE ANGIO	17	23
OTHER	33	37
TOTAL	124	126

RINITAS REGIONAL MEDICAL CENTE
MARCH 31, 2021 AND 2020
OUTPATIENT STATISTICS

	2021 ACTUAL YTD	2020 ACTUAL YTD
EMERGENCY ROOM		
NEWPOINT-PSYCH O/P VISITS	316	370
WILLIAMSON O/P VISITS	8,585	13,021
TOTAL O/P	8,901	13,391
NEWPOINT ADMISSIONS	285	392
WILLIAMSON ADMISSIONS	1,366	1,337
TOTAL ADMISSIONS	1,651	1,729
% Total ADMISSIONS FROM ER	67.64%	66.78%
TOTAL EMERGENCY ROOM VISITS	10,552	15,120
OBSERVATION		
WSC OBSERVATON CASES	743	936
NPC OBSERVATON CASES	21	25
TOTAL OBSERVATION	764	961
CLINICS		
ADULT OP SERVICES	13,824	15,874
PC (PARTIAL HOSP) SERVICES	603	1,542
CHILD/ADOL OP SERVICES	8,221	7,453
YIP (AFTER SCHOOL)	601	1,397
IOP SERVICES	528	520
OTHER CHILD/ADOL SERVICES	7,737	14,654
BAYONNE MH CLINIC	4,716	5,606
TOTAL PSYCH CLINICS	36,230	47,046
D.B.HERSH CLINIC	2,040	1,803
PEDIATRIC HEALTH CENTER	1,406	1,492
WOMENS HEALTH CENTER	3,951	4,343
WOUND HEALING CENTER	781	998
MEDICAL CLINIC (EID)	804	321
TOTAL MEDICAL CLINICS	8,982	8,957
TOTAL CLINICS	45,212	56,003
CANCER CENTER		
OFFICE VISITS	1,722	1,702
INFUSION TREATMENTS	1,346	1,573
RADIATION TREATMENTS	867	918
CANCER CENTER TOTAL	3,935	4,193
PRIVATE AMBULATORY		
SLEEP CENTER	195	316
OTHER PRIVATE REFFERRED (1)	11,445	11,684
TOTAL PRIVATE AMBULATORY	11,640	12,000
O/P RENAL TREATMENTS		
O/P HEMODIALYSIS	5,292	5,199
HOME DIALYSIS	973	589
CRANFORD RENAL	897	592
LINDEN SATELLITE	2,535	3,146
TOTAL RENAL TREATMENTS	9,697	9,526
AMBULANCE RUNS	1,171	1,265
SCTU RUNS	32	62
MICU RUNS	676	753
SDS (FROM IP SCHEDULE)	796	855
TOTAL O/P VISITS (INCLUDING SDS)	82,824	99,009
PAID PHYSICIAN ENCOUNTERS	35,286	40,633
VACCINATIONS	15,479	0
CARDIAC CATH LAB O/P		
CARDIAC CATHS	118	110
ELECTIVE ANGIOPLASTY	29	31
OTHER	42	43
TOTAL	189	184

Trinitas Regional Medical Center Obligated Group

Debt Service Calculation Certificate

(Twelve Month Rolling Average)

(Unaudited)

		March 2021
Funds Available for Debt Service		
Net increase in unrestricted net assets	$	35,838,258
Reconciling items:		
Depreciation		11,331,135
Interest and amortization		2,633,052
Net assets released from restrictions used for purchase of property and equipment		(2,587,172)
CARES Act stimulus payments - capital		(4,621,809)
Change in net unrealized gains and losses on investments		(16,502,177)
Total	$	26,091,287
Maximum annual debt service	$	9,605,847
Actual ratio		2.72
Required ratio		1.25

Trinitas Regional Medical Center Obligated Group

Cushion Ratio Calculation Certificate

(Twelve Month Rolling Average)

(Unaudited)

		March 2021
Cushion Ratio		
Cash and investments	$	208,902,638
Internally designated funds		119,808,568
Total	$	328,711,206
Maximum annual debt service		
Series 2016A and 2017A bonds payable	$	9,549,000
Loan payable		56,847
Total maximum annual debt service	$	9,605,847
Cushion ratio		34.22
Required ratio		1.25