

**Montclair Health System, LLC**  
Consolidated Balance Sheets  
*(In Thousands)*

|   | <u>September 30,<br/>2023</u> | <u>December 31,<br/>2022</u> |
|---|-------------------------------|------------------------------|
| <b>Assets</b>                             |                               |                              |
| Current assets:                           |                               |                              |
| Accounts receivable, net                  | \$ 42,389                     | \$ 37,442                    |
| Inventories                               | 6,181                         | 5,773                        |
| Prepaid expenses                          | 1,917                         | 1,950                        |
| Other current assets                      | 6,582                         | 10,493                       |
| Total current assets                      | <u>57,069</u>                 | <u>55,658</u>                |
| Property and equipment, net               | 51,838                        | 50,518                       |
| Right of use assets                       | 52,027                        | 52,027                       |
| Goodwill                                  | 126,317                       | 126,317                      |
| Other intangible assets, net              | 5,600                         | 5,600                        |
| Amounts due from affiliates               | 24,684                        | 24,721                       |
| Other assets                              | 2,984                         | 3,704                        |
| Total assets                              | <u>\$ 320,519</u>             | <u>\$ 318,545</u>            |
| <b>Liabilities and members' equity</b>    |                               |                              |
| Current liabilities:                      |                               |                              |
| Accounts payable                          | \$ 14,437                     | \$ 19,003                    |
| Accrued salaries and benefits             | 6,731                         | 7,974                        |
| Other accrued expenses and liabilities    | 7,314                         | 5,914                        |
| Current installments of long-term debt    | 294                           | 226                          |
| Total current liabilities                 | <u>28,776</u>                 | <u>33,117</u>                |
| Long-term debt, less current installments | 2,769                         | –                            |
| Noncurrent lease liabilities              | 50,985                        | 50,985                       |
| Other long-term liabilities               | 784                           | 1,648                        |
| Total liabilities                         | <u>83,314</u>                 | <u>85,750</u>                |
| Members' equity                           | 237,205                       | 232,795                      |
| Total liabilities and members' equity     | <u>\$ 320,519</u>             | <u>\$ 318,545</u>            |

**Montclair Health System, LLC**  
Consolidated Statements of Operations  
*(In Thousands)*

|   | Nine Months Ended<br>September 30, |            |
|---|------------------------------------|------------|
|   | 2023                               | 2022       |
| Total net revenue                       | \$ 255,721                         | \$ 231,736 |
| Expenses:                               |                                    |            |
| Salaries and benefits                   | 96,272                             | 94,880     |
| Professional fees and contract services | 27,250                             | 29,027     |
| Supplies                                | 39,787                             | 33,633     |
| Other operating expenses                | 35,430                             | 33,986     |
| Government stimulus income              | –                                  | (185)      |
| Depreciation and amortization           | 6,199                              | 5,019      |
| Management fees                         | 5,556                              | 4,934      |
| Total operating expenses                | 210,494                            | 201,294    |
| Income from operations                  | 45,227                             | 30,442     |
| Interest income, net                    | 1,282                              | 378        |
| Net income                              | \$ 46,509                          | \$ 30,820  |

**Montclair Health System, LLC**  
Consolidated Statements of Cash Flow  
*(In Thousands)*

**Nine Months  
September 30,  
2023**

| <b>Cash flows from operating activities:</b>   |                 |
|--|-----------------|
| Net income   | \$ 46,509       |
| Adjustments to reconcile net income to net cash provided by operating activities:            |                 |
| Depreciation and amortization  | 6,199           |
| Changes in operating assets and liabilities, net of effect of acquisitions and divestitures: |                 |
| Accounts receivable  | (4,947)         |
| Inventories and other assets   | 4,256           |
| Accounts payable and accrued expenses  | (5,652)         |
| <b>Net cash provided by operating activities</b>   | <b>46,365</b>   |
| <b>Cash flows from investing activities:</b>   |                 |
| Purchases of property and equipment  | (5,143)         |
| <b>Net cash used in investing activities</b>   | <b>(5,143)</b>  |
| <b>Cash flows from financing activities:</b>   |                 |
| Proceeds from long-term debt   | 1,045           |
| Payments of principal on long-term debt  | (205)           |
| Distributions to noncontrolling interests  | (42,099)        |
| Payments from affiliate  | 37              |
| <b>Net cash used in financing activities</b>   | <b>(41,222)</b> |
| <b>Net increase in cash and cash equivalents</b>   | <b>–</b>        |
| Cash and cash equivalents at beginning of period   | –               |
| <b>Cash and cash equivalents at end of period</b>  | <b>\$ –</b>     |