DEBORAH HEART AND LUNG CENTER
Consolidated Financial Statements
December 31, 2022 and 2021
With Independent Auditor's Report

Deborah Heart and Lung Center
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December 31, 2022 and 2021

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Deborah Heart and Lung Center:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Deborah Heart and Lung Center (the "Center"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Deborah Heart and Lung Center as of December 31, 2022 and 2021, and the results of their operations, changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Center, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of a Matter

As described in Note 2 to the consolidated financial statements, the Center adopted Accounting Standards Codification ("ASC") Topic 842, *Leases*, as of January 1, 2022. Prior period amounts have not been adjusted and continue to be reported in accordance with the Center's historic accounting under ASC Topic 840. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Withum Smith + Brown, PC

May 31, 2023

Deborah Heart and Lung Center
Consolidated Balance Sheets
December 31, 2022 and 2021

	2022	2021
Assets		
Current assets		
Cash and cash equivalents	$ 11,974,098	$ 33,924,159
Assets limited as to use	-	1,014,904
Investments	9,353,793	11,001,170
Patient accounts receivable, net	25,852,508	25,945,281
Other contract assets	1,912,219	1,014,617
Due from Deborah Hospital Foundation	6,236,496	5,804,650
Supplies	6,488,326	6,298,071
Prepaid expenses and other current assets	3,785,459	5,850,197
Due from defined benefit pension plan	-	2,503,015
Total current assets	65,602,899	93,356,064
Assets limited as to use		
By Board for designated purposes	12,615,298	15,586,503
Donor restricted	100,711	100,665
Interest reserve fund	4,600,659	4,726,469
Insurance claims - held by Deborah Medical Associates	5,813,589	5,869,879
	23,130,257	26,283,516
Property, plant and equipment, net	48,889,115	35,981,745
Right-of-use assets - operating, net	5,420,807	-
Other assets	1,001,327	959,877
Beneficial interest in perpetual trust	1,538,738	2,004,603
Beneficial interest in net assets with donor restrictions of Deborah Hospital Foundation	6,988,536	7,543,217
Total assets	$ 152,571,679	$ 166,129,022
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	$ 26,310,414	$ 25,279,887
Accrued compensation and employee benefits	11,993,784	12,724,225
Current portion of CARES Act Medicare advancements	-	21,640,984
Estimated settlements due to third-party payors, net	2,235,844	2,294,757
Accrued interest payable	-	119,669
Current maturities of long-term debt	596,158	4,888,615
Current portion of lease liability - operating	1,088,062	-
Current portion of lease liability - financing	166,633	-
Line of credit	-	1,000,000
Total current liabilities	42,390,895	67,948,137
Accrued retirement benefits	1,298,577	2,303,924
Estimated malpractice claims liability	5,028,339	6,363,752
Refundable advance	471,253	-
Long-term debt, less current maturities, net	14,355,999	4,460,090
Long-term lease liability - operating, less current maturities	4,433,479	-
Long-term lease liability - financing, less current maturities	43,675	-
Total liabilities	68,022,217	81,075,903
Net assets		
Without donor restrictions		
Controlled by the Center	65,744,689	65,212,248
Attributable to non-controlling interests	413,483	438,731
Total without donor restrictions	66,158,172	65,650,979
With donor restrictions	18,391,290	19,402,140
Total net assets	84,549,462	85,053,119
Total liabilities and net assets	$ 152,571,679	$ 166,129,022

The Notes to Consolidated Financial Statements are an integral part of these statements.

Deborah Heart and Lung Center
Consolidated Statements of Operations and Changes in Net Assets
Years Ended December 31, 2022 and 2021

	2022	2021
Net assets without donor restrictions		
Revenue		
Net patient service revenue	$ 216,793,646	$ 206,993,928
Other revenue, and realized gains and losses	10,441,600	12,011,401
Grant income	730,710	827,443
Net assets released from restriction	23,865	187,910
Total revenue	227,989,821	220,020,682
Expenses		
Salary and wages	101,356,826	94,738,026
Employee benefits	18,738,047	18,968,775
Supplies and other expenses	100,546,182	98,387,986
Interest	287,507	437,185
Depreciation and amortization	6,883,834	7,197,538
Total expenses	227,812,396	219,729,510
Income from operations	177,425	291,172
Nonoperating revenue and unrealized gains and (losses)		
Contributions from Deborah Hospital Foundation	4,000,000	4,000,000
Unrealized gain (loss) on investments	(3,815,693)	498,760
Excess of revenue over expenses	361,732	4,789,932
Other changes in net assets without donor restrictions		
Net assets released from restriction for property, plant and equipment	16,439	2,232,067
Other components of net periodic pension costs	(409,665)	(1,895,079)
Pension-related changes other than net periodic pension costs	538,687	9,380,029
Changes in net assets without donor restrictions	507,193	14,506,949
Net assets with donor restrictions		
Contributions	50,000	8,905,335
Net assets released from restriction	(40,304)	(2,419,977)
Change in beneficial interest in net assets with donor restrictions of Deborah Hospital Foundation	(554,681)	(5,335,233)
Changes in fair value of beneficial interest in perpetual trust	(465,865)	137,011
Changes in net assets with donor restrictions	(1,010,850)	1,287,136
Changes in net assets before members' contributions	(503,657)	15,794,085
Members' contributions	-	45,000
Changes in net assets	(503,657)	15,839,085
Net assets		
Beginning of year	85,053,119	69,214,034
End of year	$ 84,549,462	$ 85,053,119

The Notes to Consolidated Financial Statements are an integral part of these statements.

Deborah Heart and Lung Center
Consolidated Statements of Cash Flows
Years Ended December 31, 2022 and 2021

	2022	2021
Operating activities		
Changes in net assets before members' contributions	$ (503,657)	$ 15,794,085
Adjustments to reconcile changes in net assets before members' contributions to net cash provided by (used in) operating activities		
Depreciation and amortization of property, plant and equipment	6,883,834	7,134,933
Amortization of right-of-use asset - operating	1,135,608	-
Interest expense attributable to amortization of deferred financing costs	89,493	60,242
Realized loss on disposal of property, plant and equipment	-	37,203
Net realized and unrealized losses (gains) on assets whose use is limited	2,863,603	(1,306,178)
Net realized and unrealized losses (gains) on investments	1,050,483	(1,408,117)
Other components of net periodic pension costs	409,665	1,895,079
Pension-related changes other than net periodic pension costs	(538,687)	(9,380,029)
Contributions for property, plant and equipment	(16,439)	(2,232,067)
Change in beneficial interest in net assets with donor restrictions of Deborah Hospital Foundation	554,681	5,335,233
Change in fair value of beneficial interest in perpetual trust	465,865	(137,011)
Changes in operating assets and liabilities		
Patient accounts receivable	92,773	(4,677,786)
Other contract assets	(897,602)	794,965
Due from Deborah Hospital Foundation	(431,846)	(1,521,202)
Supplies	(190,255)	(625,475)
Prepaid expenses and other current assets	2,064,738	(1,694,820)
Due from defined benefit pension plan	2,503,015	(2,503,015)
Accounts payable and accrued expenses	1,030,527	5,796,637
Accrued compensation and employee benefits	(730,441)	1,578,615
Accrued retirement benefits	(876,325)	1,672,948
Accrued interest payable	(119,669)	(67,808)
CARES Act Medicare advancements	(21,640,984)	(12,864,809)
Accrued employment taxes - long term	-	(1,336,467)
Estimated malpractice claims liability	(1,335,413)	2,782,338
Lease liability - operating	(1,034,874)	-
Refundable advance	471,253	-
Estimated settlements due to third-party payors	(58,913)	516,705
Net cash provided by (used in) operating activities	(8,759,567)	3,644,199
Investing activities		
Additions to property, plant, and equipment, net	(19,626,553)	(7,970,693)
Proceeds from sale of unrestricted investments, net of purchases	576,203	75,105
Change in assets limited as to use	959,095	1,141,794
Net cash used in investing activities	(18,091,255)	(6,753,794)

The Notes to Consolidated Financial Statements are an integral part of these statements.

Deborah Heart and Lung Center
Consolidated Statements of Cash Flows
Years Ended December 31, 2022 and 2021

	2022	2021
Financing activities		
Proceeds from contributions for property, plant and equipment acquisitions	$ 16,439	$ 2,232,067
Proceeds from Greater Commercial Lending bridge loan	12,354,976	929,407
Proceeds from PSE&G loan	960,767	-
Repayment of line of credit	(1,000,000)	-
Members' contributions	-	45,000
Deferred financing costs	(41,450)	(154,380)
Payments on long-term debt	(7,445,619)	(5,314,373)
Payments on finance lease liability	(310,508)	-
Net cash provided by (used in) financing activities	4,534,605	(2,262,279)
Net change in cash, cash equivalents and restricted cash	(22,316,217)	(5,371,874)
Cash, cash equivalents and restricted cash		
Beginning of year	41,694,440	47,066,314
End of year	$ 19,378,223	$ 41,694,440
Supplemental disclosure of cash flow information		
Cash paid for interest	$ 317,683	$ 444,751

Supplemental disclosure of non-cash investing and financing activities

During the year ended December 31, 2021, the Center purchased equipment in the amount of $1,212,012 under a note payable.

	2022	2021
Cash, cash equivalents and restricted cash as reported within the consolidated balance sheets		
Cash and cash equivalents	$ 11,974,098	$ 33,924,159
Assets limited as to use - current	-	1,014,904
Investments	65,782	86,473
Assets limited as to use - by Board for designated purposes	185,743	228,457
Assets limited as to use - donor restricted	100,711	100,665
Assets limited as to use - interest reserve fund	4,600,659	4,726,469
Assets limited as to use - insurance claims - held by Deborah Medical Associates	2,451,230	1,613,313
Total cash, cash equivalents and restricted cash as shown in the consolidated statements of cash flows	$ 19,378,223	$ 41,694,440

The Notes to Consolidated Financial Statements are an integral part of these statements.

1. ORGANIZATION

Deborah Heart and Lung Center (“DHLC” or the “Center”) is a tax-exempt teaching and tertiary care specialty hospital located in Browns Mills, New Jersey that primarily provides comprehensive inpatient and outpatient cardiac, vascular, and pulmonary services.

Deborah Heart and Lung Center, its wholly owned, for-profit subsidiaries, Advanced Medical Management Services, Inc. (“Advanced”), Deborah Medical Investments, LLC (“DMI”), and its captive insurance company Deborah Medical Associates Insurance Company, LLC (“DMAIC”), along with Deborah Cardiovascular Group, P.C. (“DCG”), a not-for-profit entity, and The Surgery Center at Deborah, LLC (“SCD”) are collectively referred to as the Center. The purpose of Advanced is to provide management and billing services to customers in various locations in New Jersey. Services are obtained either from the marketplace or from the Center and are billed at fair market value to the receiving organization with a markup factor to cover overhead cost. DMI was formed for the purpose of holding investments in for-profit entities that provide healthcare services. DMAIC was formed to provide medical professional liability insurance and commercial general liability insurance to Deborah Heart and Lung Center, its employees and to provide medical malpractice coverage to physicians and allied professionals who are on the medical staff of the Center and who meet certain underwriting criteria.

Deborah Cardiovascular Group, P.C. is a not-for-profit physician's corporation whose sole shareholder is Michael Neary, M.D. The Center holds certain reserved powers over DCG. The Center has contractually agreed to support DCG's operating loss. DCG has agreed to work with, and on behalf of, the Center to meet community needs and fulfill the Center's Community Health Improvement Plan.

The Surgery Center at Deborah, LLC was formed as a for-profit, New Jersey Limited Liability Company for the purpose of the development, establishment and operation of a licensed ambulatory surgical center. The services will generally be covered by third-party insurers or payor agreements. SCD’s majority shareholder is DHLC. Construction started in 2022 and operations are expected to begin in June 2023. DHLC intends to own 51% of SCD. As of December 31, 2022, SCD is owned 58% by DHLC and 42% by minority interests.

Deborah Hospital Foundation (the “Foundation”) is a not-for-profit, tax-exempt corporation established to raise funds to support its charitable program services and operations, including various programs of the Center. Additionally, certain members of the Center’s senior management hold the same position at the Foundation, and certain members of the Foundation's Board of Directors are also members of the Center's Board of Trustees.

The Center's unique charity mission and policy of not balance billing patients has periodically produced a deficiency of revenue over expenses. These deficiencies have been historically supported by annual contributions from the Foundation and direct public support. The Center is dependent upon continuing financial support of the Foundation to meet its cash flow needs. These cash flow needs are budgeted and managed to fall within the amount reflected in the budget. The Foundation has pledged to provide its resources to the Center, as necessary, to allow the Center to fund its operations (see Note 10).

The Center's Board of Trustees (“Board”)currently consists of nine (9) voting members. They are the Chair of the Board, the Chair-Elect of the Board, the President and CEO of the Center, the Chair of the Board of the Foundation and five (5) additional "At Large" trustees elected by the Center's Board.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The accounts of DHLC, DCG, Advanced, DMI, DMAIC and SCD have been consolidated in the Center's financial statements, and all significant intercompany balances and transactions between the entities have been eliminated in the consolidated financial statements.

Basis of Accounting

The Center prepares its consolidated financial statements in accordance with accounting principles generally accepted in the United States of America which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Basis of Presentation

The Center reports information regarding its financial position and activities according to two classes of net assets which are defined as follows:

Net assets without donor restrictions: Net assets available for use in general operations and not subject to donor-imposed (or certain grantor-imposed) restrictions. The governing Board has designated from net assets without donor restrictions net assets for future operations.

Net assets with donor restrictions: Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when a stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. There were no net assets with donor restrictions that are perpetual in nature at December 31, 2022 and 2021.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. The most significant management estimates and assumptions are related to the determination of contractual allowances for patient accounts receivable; estimated settlements with third-party payors; useful lives of property, plant and equipment; self-insured reserves, including professional malpractice and general liabilities; and the reported fair values of certain assets and liabilities.

Cash and Cash Equivalents

Cash and cash equivalents include various checking accounts, certificates of deposit and repurchase agreements with initial maturity dates of three months or less. The Center maintains cash balances with financial institutions that regularly may exceed Federal Deposit Insurance Corporation limits. Any loss incurred or a lack of access to such funds could have a significant adverse impact on the Center's financial condition, results of operations and cash flows.

Supplies

The Center measures its supplies at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method. Net realizable value is defined as the estimated selling prices of the inventory in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation.

Assets Limited as to Use, Investments and Investment Income

Assets limited as to use by Board designation arise from results of operations or contributions not restricted by donors that were designated by the Board for specific purposes.

Assets limited as to use for insurance are held by DMAIC for the potential payment of malpractice and comprehensive general liability costs.

Assets limited as to use under bond indenture agreements are held by a trustee for payment of principal and interest due on the bonds debt service funds.

Assets limited as to use under the Greater Commercial Lending drawdown bridge loan are held for potential payment of interest due on the loans.

Assets limited as to use for donor restricted purposes are held for capital improvements pursuant to the Deborah Capital Campaign.

Investments in debt and equity securities are measured at fair value based on quoted market prices, if available, or estimated market prices for similar securities. The Center's investments are both undesignated and designated as assets limited as to use and are considered other-than-trading securities. Amounts required to meet current liabilities of the Center have been classified as current assets in the consolidated balance sheets.

Investment income and realized gains and losses are included in other revenue; unrealized gains and losses are recorded as nonoperating revenue. Realized gains and losses for all investments are determined by the average cost method.

The Center's investments are managed by investment managers. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial statements.

Impairment of Investments

Investments are reviewed for impairment whenever events or changes in circumstances indicate that the fair value of investments below cost will be considered other than temporary. There were no such losses reported for the years ended December 31, 2022 and 2021.

Property, Plant and Equipment

Property, plant and equipment acquisitions are recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed on the straight-line method. Equipment under capital leases entered into during 2021 and prior was recorded at the equipment’s present value at the inception of the lease and was amortized using the straight-line method over the shorter of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the consolidated financial statements.

Those assets acquired by gift are carried at amounts established as fair value at the time of acquisition. Gifts of long-lived assets such as land, buildings or equipment are reported as other changes in net assets without donor restrictions, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

The Center continually evaluates whether events and circumstances have occurred that indicate the remaining estimated useful life of long-lived assets is appropriate or whether the remaining balance may not be recoverable. When factors indicate that long-lived assets should be evaluated for possible impairment, the Center uses an estimate of the related undiscounted operating income over the remaining life of the long-lived asset in measuring whether the long-lived asset is recoverable. The impairment loss on these assets is measured as the excess of the carrying amount of the asset over its fair value. Fair value is based upon market prices where available or discounted cash flows. Management believes that no revision to the remaining useful lives or write-down of long-lived assets is required at December 31, 2022.

Other Assets

Included in other assets is a minority investment in a partnership of $351,450 at December 31, 2022 and 2021 and a minority investment in a limited liability company of $280,800 at December 31, 2022 and 2021. The partnership and limited liability company investments are reported at estimated fair value using the practical expedient, which is calculated at cost less impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or similar investment of the same issuer. At December 31, 2022 and 2021, there were no impairments or observable price changes.

Also included in other assets at December 31, 2022 and 2021, are deferred financing costs of $369,077 and $327,627, respectively. See Note 9 for USDA construction loan and USDA guaranteed loan.

Beneficial Interest in a Perpetual Trust

The Center is an income beneficiary of a perpetual trust and has recorded its portion of the fair value of the trust. The original corpus of the trust cannot be violated; however, a contingent beneficiary exists in the event that the Center ceases to exist. Therefore, the trust is reported as net assets with donor restrictions, with a time restriction.

Beneficial Interest in Net Assets with Donor Restrictions Held by the Foundation

The Center has recorded its portion of the fair value of net assets with donor restrictions held by the Foundation. The net assets consist of a trust that is perpetual in nature and the original corpus that cannot be violated. The income earned from the trust is to be used for the Children of the World Program. A contingent beneficiary exists in the event that the Foundation or the Children of the World Program ceases to exist. Therefore, the trust is reported as net assets with donor restrictions, with a time restriction.

Advertising Costs

Advertising costs, which are included in supplies and other expenses in the consolidated statements of operations and changes in net assets, are expensed as incurred. Advertising costs for the years ended December 31, 2022 and 2021 were $1,887,280 and $1,456,314, respectively.

Estimated Malpractice Claims Liability

The provision for estimated medical malpractice claims includes undiscounted estimates of the ultimate costs for both reported claims and claims incurred but not reported.

Net Patient Accounts Receivable and Net Patient Service Revenue

The Center has agreements with third-party payors, including commercial insurance carriers and health maintenance organizations, which provide for payments at amounts different from established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, per diem and case rate payments. Substantially, all patient service revenue recognized by the Center is derived from third-party payors.

Patient accounts receivable are recorded at established rates net of price concessions, including contractual adjustments and discounts, and do not bear interest. Management assesses the reasonableness of the accounts receivable based on historical and expected collections, business economic conditions, trends in healthcare coverage and other collection indicators. Accounts are written off when collection efforts have been exhausted and are included in supplies and other expenses on the consolidated statements of operations and changes in net assets.

Net patient service revenue is reported at the amount that reflects the consideration to which the Center expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including health insurers and government programs) and others and includes variable consideration (reductions to revenue due to settlement of audits, reviews and investigations) in determining a transaction price. The patients are billed after the services are performed or shortly after discharge. Revenue from inpatient and outpatient services is recognized as performance obligations are satisfied.

The Center’s initial estimate of the transaction price for services provided to patients subject to revenue recognition is determined by reducing the total standard charges related to the patient services provided by various elements of variable consideration, including contractual adjustments, discounts, implicit price concessions and other reductions to the Center’s standard charges.

The Center determines the transaction price associated with services provided to patients who have third-party payor coverage on the basis of contractual or formula-driven rates for the services rendered. The estimates for contractual allowances and discounts are based on contractual agreements, the Center’s discount policies and historical experience. Except for services not performed at 200 Trenton Road, uninsured or under-insured patients are not billed for services received. For services not performed at 200 Trenton Road, for uninsured or under-insured patients, the Center determines the transaction price associated with services rendered on the basis of charges reduced by implicit price concessions. Implicit price concessions are included in the estimate of the transaction price.

Generally, the Center bills third-party payors, and certain patients, several days after the services are performed and/or the patient is discharged. Net patient service revenue is recognized as performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by the Center. Net patient service revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total charges. The Center believes that this method provides a reasonable depiction of the transfer of services over the term of the performance obligations based on the services needed to satisfy the obligation. All of the Center’s performance obligations are satisfied over time. The Center measures the performance obligation from admission into the Center or the commencement of an outpatient service to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge or the completion of the outpatient visit.

Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change.

Settlements with third-party payors for cost report filings and retroactive adjustments due to ongoing and future 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 Center's historical settlement activity (for example, cost report final settlements or repayments related to recovery audits), 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. Such estimates are determined through either a probability-weighted estimate or an estimate of the most likely amount, depending on the circumstances related to a given estimated settlement item.

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.

COVID-19 Pandemic

In 2020, the World Health Organization declared the novel strain of coronavirus ("COVID-19") a Public Health Emergency of International Concern. The COVID-19 pandemic caused a disruption to the nation's healthcare system. The U.S. government enacted the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") that has a number of benefits that are applicable to the Center and other healthcare providers. CARES Act funding includes the Provider Relief Fund ("PRF"), which appropriated funding to eligible healthcare providers for related expenses or lost revenues that are attributable to the COVID-19 pandemic.

Grant Income

During the years ended December 31, 2022 and 2021, the Center and subsidiaries received cash payments of $11,983 and $827,443, respectively, from the PRF. In addition, during the year ended December 31, 2022, the Center received a $718,727 cash payment from the U.S. Federal Emergency Management Agency ("FEMA"). Payments from the PRF and FEMA are not loans, and therefore, they are not subject to repayment. However, as a condition to receiving distributions, providers must agree to certain terms and conditions, including, among other things, that the PFR funds are being used for lost revenues and unreimbursed COVID-19 related costs as defined by the U.S. Department of Health and Human Services ("HHS"), and the FEMA funds are used for COVID-19 related expenses. All recipients of PRF and FEMA payments are required to comply with reporting requirements described in the terms and conditions determined by HHS and FEMA. Because PRF payments are conditional upon having incurred health care-related expenses or lost revenues that are attributable to COVID-19 and FEMA payments are conditional upon having incurred health-care related expenses attributable to COVID-19 incurred in 2020, and because noncompliance with the terms and conditions is grounds for recoupment by the HHS and FEMA of some or all of the payments, PRF and FEMA payments are recorded as conditional contributions. Contribution revenue is recognized to the extent that health care-related expenses or lost revenues have been incurred and not reimbursed from other sources. During the years ended December 31, 2022 and 2021, the Center recognized grant income in its consolidated statements of operations and changes in net assets for the full amount of the cash payments received.

Medicare Accelerated Payment Program

As a result of COVID-19, the Center was eligible for an accelerated and advance payment pursuant to the Medicare Accelerated Payment Program. Recipients may retain the accelerated payments for one year from the date of receipt before recoupment commences, which will be effectuated by a 25% offset of claims payments for 11 months, followed by a 50% offset for the succeeding six months. At the end of the 29-month period, interest on the unpaid balance will be assessed at 4% per annum. For the year ended December 31, 2020, the Center received advance payments from the Medicare Accelerated Payment Program. In June 2021, recoupment commenced on the Center's eligible remittances. Advances totaling $21,640,984 were included in current liabilities in the accompanying consolidated balance sheets at December 31, 2021. There were no advances included in liabilities as of December 31, 2022.

Deferral of Employment Tax Payments

The CARES Act permitted employers to defer payments of the 6.2% employer Social Security tax beginning March 27, 2020 through December 31, 2020. Deferred tax amounts are required to be paid in equal amounts over two years, with payments due in December 2021 and December 2022. At December 31, 2021, the deferred Social Security tax payments amounted to $1,335,360 and are included in accrued compensation and employee benefits in the accompanying consolidated balance sheet, and payments were repaid during the year ended December 31, 2022.

Gifts with Donor Restrictions

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. The gifts are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of operations and changes in net assets as a component of total revenue for operating purposes and as other changes in net assets without donor restrictions for acquisitions of property, plant and equipment.

Excess of Revenue Over Expenses

The consolidated statements of operations and changes in net assets include the excess of revenue over expenses, which represents all revenue, expenses, and gains and losses without donor restrictions for the reporting period. Transactions deemed by management to be ongoing, major, or central to the provision of health care services are reported as revenue and expenses. Other transactions are reported as nonoperating gains and losses. Other changes in net assets without donor restrictions that are excluded from the excess of revenue over expenses include contributions for capital renovations and equipment acquisitions, other components of net periodic pension costs, and other pension-related changes.

Risks and Uncertainties

Management is currently evaluating the ongoing impact of the COVID-19 pandemic on the healthcare industry and has concluded that while it is reasonably possible that the virus could continue to have a negative effect on the Center's financial position, and results of its operations, the specific impact is not readily determinable as of the date of these consolidated financial statements. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Income Taxes

DHLC and DCG are not-for-profit corporations and are exempt from federal and state income taxes under existing provisions of the Internal Revenue Code and the laws of the State of New Jersey.

Advanced is a for-profit entity filing the required federal and state income tax returns. For the years ended December 31, 2022 and 2021, no income tax expense was recorded due to prior years' operating losses that have been carried forward. A deferred income tax asset for the net operating losses has not been recorded as the amounts are immaterial. There are no other deferred income tax assets or liabilities at December 31, 2022 and 2021.

DMI, DMAIC and SCD are for-profit entities filing the required federal and state partnership returns and do not pay income taxes on their income. Instead, the income is reported by its Members, DHLC or others, on their returns and is not subject to income taxes.

The Center follows the accounting guidance for uncertainties in income tax positions which requires that a tax position be recognized or derecognized based on a "more likely than not" threshold. This applies to positions taken or expected to be taken in a tax return. The Center does not believe its consolidated financial statements include any material uncertain tax positions. In addition, there has been no tax-related interest or penalties for the periods presented in these consolidated financial statements. Should any such penalties be incurred, the Center's policy would be to recognize them as operating expenses.

Leases

The Center categorizes leases with contractual terms longer than twelve months as either operating or financing. Financing leases are generally those leases that allow the Center to substantially utilize or pay for the entire asset over its estimated useful life. All other leases are categorized as operating leases. Leases with contractual terms of 12 months or less are not recorded on the consolidated balance sheets.

Certain lease contracts include obligations to pay for other services, such as operations, property taxes, and maintenance. For all operating leases, the Center accounts for these other services as a component of the lease.

Lease liabilities are recognized at the present value of the fixed lease payments using the practical expedient to utilize a risk-free rate. Right-of-use ("ROU") assets are recognized based on the initial present value of the fixed lease payments, plus any direct costs from executing the leases. ROU assets for financing leases are included in property, plant and equipment. Lease assets are tested for impairment in the same manner as long-lived assets used in operations.

Options to extend lease terms, terminate leases before the contractual expiration date or purchase the leased assets, are evaluated for their likelihood of exercise. If it is reasonably certain that the option will be exercised, the option is considered in determining the classification and measurement of the lease.

Costs associated with operating lease assets are recognized on a straight-line basis within operating expenses over the term of the lease. Finance assets are amortized on a straight-line basis over the shorter of the estimated useful lives of the assets or the lease term. The interest component of a finance lease is included in interest expense and recognized using the effective interest method over the lease term.

Adoption of Accounting Principles

Lease Transactions

In February 2016, the Financial Accounting Standards Board ("FASB") issued an Accounting Standards Update ("ASU") amending the accounting for leases. The new standard requires that a lessee recognize a right-of-use asset and a corresponding liability for its obligation under virtually all operating leases. The Center adopted the new standard effective January 1, 2022, using the modified retrospective approach. Comparative prior periods were not adjusted upon adoption, as the Center utilized the practical expedient available under the guidance. Further, the Center elected to implement the package of practical expedients, whereby the Center did not (i) reassess existing contracts for embedded leases, (ii) reassess existing lease agreements for finance or operating classification or (iii) reassess existing lease agreements in consideration of initial direct costs. The implementation of this standard did not have a material impact on the consolidated statements of operations and changes in net assets or cash flows.

Upon adoption, the Center recognized $6,556,415 in ROU assets and a corresponding lease liability related to its leased property and equipment under operating leases and $356,165 of capital lease liabilities were reclassified from long-term debt to lease liability - financing. There was no cumulative effect of applying the new standard and accordingly, there was no adjustment to net assets upon adoption.

Contributed Nonfinancial Assets

On January 1, 2022, the Center adopted the presentation and disclosure requirements of FASB ASU 2020-07, *Not-for-Profit Entities* (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets.* The ASU requires not-for-profit organizations to present contributed nonfinancial assets as a separate line item in the consolidated statements of operations and changes in net assets, apart from contributions of cash and other financial assets. The adoption of the standard did not have a significant impact on the consolidated financial statements, since the Center did not receive any contributions of nonfinancial assets during the years ended December 31, 2022 and 2021.

Reclassifications

Certain prior-year amounts have been reclassified to conform to the current-year presentation. The reclassifications has no effect on net assets or changes in net assets.

3. LIQUIDITY AND AVAILABILITY

As of December 31, 2022 and 2021, financial assets available within one year for general expenditures were as follows:

	2022	2021
Cash and cash equivalents	$ 11,974,098	$ 33,924,159
Investments	9,353,793	11,001,170
Patient accounts receivable, net	25,852,508	25,945,281
Other contract assets	1,912,219	1,014,617
Due from Deborah Hospital Foundation	6,236,496	5,804,650
Due from defined benefit pension plan	-	2,503,015
	$ 55,329,114	$ 80,192,892

None of the financial assets listed in the table above are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the consolidated balance sheet date. The patient accounts receivable and due from Deborah Hospital Foundation are expected to be collected within one year.

The Center regularly monitors liquidity to meet its operating needs and other contractual commitments, while also striving to maximize investment of its available funds. The Center has various sources of liquidity at its disposal, including cash and cash equivalents, as well as investments and Board designated assets. See Note 9 for information about the lines of credit. See Notes 6 and 17 for information on the Board designated assets.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Center considers all expenditures related to its ongoing activities of providing comprehensive inpatient and outpatient cardiovascular and pulmonary services, as well as the expenses necessary to support those activities, to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, the Center operates with an excess of revenue over expenses and anticipates collecting sufficient revenue to cover general expenditures not covered by resources with donor restrictions.

4. UNCOMPENSATED CARE AND STATE SUBSIDIES

The Center provides price concessions for uncompensated care resulting from its charity care policy for services. The price concession is determined by analyzing patient and historical data and trends. These price concessions are recorded as a reduction to patient service revenue.

The Center provides charity care to patients who meet certain financial criteria established by the State of New Jersey. The direct and indirect cost of services and supplies furnished to patients eligible for such charity care, using a ratio of cost to gross charges, approximated $6,101,000 and $7,103,000 for the years ended December 31, 2022 and 2021, respectively.

The Center maintains records to identify and monitor the level of charity care it provides. In 2022 and 2021, the amount of charges forgone for services provided to patients under its charity care policy, net of the Health Care Subsidy Fund (“HCSF”), was $32,911,443 and $37,058,562, respectively.

The Health Care Reform Act of 1992 (Chapter 160) established the HCSF to provide a mechanism and funding source to compensate certain hospitals for charity care. For the years ended December 31, 2022 and 2021, the Center received $768,233 and $624,909, respectively, for charity care (included in net patient service revenue). This amount is subject to change from year to year based on available state amounts and allocation methodologies. A proportionate amount is in place through June 30, 2023; however, there can be no assurance of a similar level in the future.

The Center's patient acceptance policy is based on its mission statement and its charitable purposes. Accordingly, the Center accepts all patients regardless of their ability to pay. This policy results in the assumption of higher-than-normal patient accounts receivable credit risks. To the extent the Center realizes additional losses resulting from such higher credit risks for patients that are not identified or do not meet the previously described charity criteria, such additional losses are included as a reduction of net patient service revenue.

Additionally, the Center sponsors certain other charitable programs, which provide substantial benefit to the broader community. Such programs include services to needy and elderly populations that require special support, as well as health promotion and education for the general community welfare.

Gross charges forgone for free care in excess of third-party reimbursements (e.g., co-pays and deductibles) were $14,191,564 and $14,178,412 in 2022 and 2021, respectively.

5. NET PATIENT SERVICE REVENUE

Inpatient acute care services for Medicare and Medicaid program beneficiaries and outpatient services for Medicare beneficiaries are paid at prospectively determined rates per discharge or outpatient service. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Professional services for patient care are primarily paid based on a fee-for-services basis. Outpatient services for Medicaid beneficiaries and certain pass-through items related to Medicare beneficiaries are paid based on a cost reimbursement methodology or tentative rate, subject to certain limitations. The Center is reimbursed for these cost reimbursable items at a tentative rate, with final settlement determined after submission of annual cost reports by the Center and audits thereof by the program's fiscal intermediaries. Fiscal intermediaries have not audited the cost reports for the years ended December 31, 2022 and 2021. In the opinion of management, adequate provision has been made for estimated settlements and potential adjustments resulting from audit and final settlements with third-party payors. Differences between the estimated and final settlements are recorded in the year of settlement. Included in the net patient service revenue for the year ended December 31, 2021 is $82,227 of net favorable adjustments, for third-party payor settlements relating to previous years' estimates or changes in estimates. There were no adjustments for settlements for the year ended December 31, 2022.

Net revenue from the Medicare and Medicaid programs for the years ended December 31, 2022 and 2021 constitutes 53% and 54%, respectively, of the Center's net patient service revenue. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The Center believes that it is in compliance with all applicable laws and regulations and is not aware of any pending investigations. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory actions including fines, penalties, and exclusion from the Medicare and Medicaid programs.

There are various proposals at the federal and state levels that could, among other things, significantly reduce payment rates or modify payment methods. The ultimate outcome of these proposals and other market changes, including the potential effects of health care reform that have been enacted by the federal government, cannot presently be determined. Future changes in the Medicare and Medicaid programs and any reduction of funding could have an adverse impact on the Center.

The Center also has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Center under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates. These agreements have retrospective audit clauses, allowing the payor to review and adjust claims subsequent to initial payment. Changes in estimates resulting from such adjustments are recorded when known or can be estimated.

The components of net patient service revenue for the years ended December 31, are as follows:

	2022	2021
Gross charges	$ 1,249,183,376	$ 1,088,765,334
Contractual adjustments and implicit price concessions	(1,033,157,963)	(882,478,542)
Change in estimate of prior year's net patient service revenue	-	82,227
Charity care subsidy	768,233	624,909
	$ 216,793,646	$ 206,993,928

Contract assets are related to in-house patients who were provided services during the reporting period but were not discharged as of the reporting date and for which the Center does not have the right to bill.

Patient receivables and other contract asset balances from contracts with customers at December 31, 2022, 2021 and 2020 were as follows:

	2022	2021	2020
Patient accounts receivable, net	$ 25,852,508	$ 25,945,281	$ 21,267,495
Other contract assets	1,912,219	1,014,617	1,809,582

6. INVESTMENTS AND ASSETS RESTRICTED AS TO USE

Investments and assets limited as to use consist of the following at December 31:

	2022	2021
Unrestricted investments		
Cash and cash equivalents	$ 65,782	$ 86,473
Corporate bonds	300,221	174,502
Government securities	699,907	336,774
Equity securities (including mutual funds and exchange traded funds)	8,287,883	10,403,421
	$ 9,353,793	$ 11,001,170
By Board for designated purposes		
Cash and cash equivalents	$ 185,743	$ 228,457
Corporate bonds	701,483	721,963
Government securities	1,235,671	1,437,067
Certificates of deposit	552,604	550,613
Equity securities (including mutual funds)	9,939,797	12,648,403
	$ 12,615,298	$ 15,586,503
Donor restricted		
Cash and cash equivalents	$ 100,711	$ 100,665
Insurance fund - held by Deborah Medical Associates		
Cash and cash equivalents	$ 2,451,230	$ 1,613,313
Corporate bonds	514,098	340,796
Government securities	809,203	840,298
Equity securities	2,039,058	3,075,472
	$ 5,813,589	$ 5,869,879
Under bond indenture agreement - held by trustee		
Cash and cash equivalents	$ -	$ 1,014,904
Less: Amounts required for current liabilities	-	(1,014,904)
	$ -	$ -

	2022	2021
Assets limited as to use under bond indenture agreement are maintained for the following purposes		
Debt service principal fund	$ -	$ 981,700
Debt service interest fund	-	33,204
	$ -	$ 1,014,904
Assets limited as to use under Greater Commercial Lending agreement for interest reserve fund		
Cash and cash equivalents	$ 4,600,659	$ 4,726,469

Net investment return for the years ended December 31, 2022 and 2021 amounted to $(3,998,943) and $3,105,066, respectively, and is included in other revenue, realized gains and losses and unrealized gain (loss) on investments on the accompanying consolidated statements of operations and changes in net assets.

7. FAIR VALUE MEASUREMENTS

The Center measures fair value as the price that would be received to sell an asset or paid to transfer a liability (the exit price) in an orderly transaction between market participants at the measurement date. In determining fair value, the Center uses the market approach, which utilizes prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

The Center uses the fair value hierarchy to determine the fair value based on the following:

Level 1 - Holdings use quoted (unadjusted) prices for identical assets or liabilities in active markets.

Level 2 - Holdings use the following methods: quoted prices for similar assets/liabilities in active markets, quoted prices for identical or similar assets in non-active markets (few transactions, limited information, non-current prices, high variability over time), inputs other than quoted prices that are observable for the assets/liabilities (e.g., interest rates, yield curves volatility, default rates) and inputs that are derived principally from or corroborated by other observable market data.

Level 3 - Holdings use quoted market prices of the Center's beneficial interest in the underlying investments of the perpetual trust.

There have been no changes in valuation techniques for these assets for the years ended December 31, 2022 and 2021.

The following tables present the fair value hierarchy for the Center's financial assets measured at fair value on a recurring basis as of December 31:

	2022			
	Level 1	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents	$ 19,378,223	$ -	$ -	$ 19,378,223
Corporate bonds	-	1,515,802	-	1,515,802
Equity securities (including mutual funds and exchange traded funds)	20,266,738	-	-	20,266,738
Governmental securities	2,744,781	-	-	2,744,781
Certificates of deposit	-	552,604	-	552,604
Beneficial interest in perpetual trust	-	-	1,538,738	1,538,738
	$ 42,389,742	$ 2,068,406	$ 1,538,738	$ 45,996,886

	2021			
	Level 1	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents	$ 41,694,440	$ -	$ -	$ 41,694,440
Corporate bonds	-	1,237,261	-	1,237,261
Equity securities (including mutual funds and exchange traded funds)	26,127,296	-	-	26,127,296
Governmental securities	2,614,139	-	-	2,614,139
Certificates of deposit	-	550,613	-	550,613
Beneficial interest in perpetual trust	-	-	2,004,603	2,004,603
	$ 70,435,875	$ 1,787,874	$ 2,004,603	$ 74,228,352

During the years ended December 31, 2022 and 2021, there were no transfers into or out of Level 3 and there were no purchases of Level 3 assets.

8. PROPERTY, PLANT AND EQUIPMENT

Depreciation, including amortization on capital leases, on property, plant and equipment was $6,883,834 and $7,134,933 for the years ended December 31, 2022 and 2021, respectively.

Property, plant and equipment consist of the following at December 31:

	Estimated Life (Years)	2022	2021
Land		$ 100,365	$ 100,365
Buildings and improvements	5-40	51,359,985	50,995,307
Equipment	5-20	64,574,192	59,492,268
		116,034,542	110,587,940
Less: Accumulated depreciation and amortization		(87,377,498)	(80,493,896)
		28,657,044	30,094,044
Construction in progress		20,232,071	5,887,701
		$ 48,889,115	$ 35,981,745

The following, classified as equipment, is held under financing leases at December 31, 2022 and capital leases at December 31, 2021:

	2022	2021
Equipment	$ 2,205,000	$ 7,369,921
Less: Accumulated amortization	(2,050,000)	(5,847,263)
	$ 155,000	$ 1,522,658

9. LONG-TERM DEBT

Long-term debt consists of the following at December 31:

	2022	2021
Capital lease obligations, secured by related equipment with interest rates ranging from 2.29% to 8.29%	$ -	$ 437,490
Notes payable	707,007	1,111,011
USDA Construction Loan and USDA Guaranteed Loan	13,284,383	929,407
Series 2014 Refunding Bonds	-	2,363,000
Taxable term loan - 2016	-	4,597,290
PSE&G reimbursable advance	960,767	-
	14,952,157	9,438,198
Less: Unamortized debt issuance costs - 2014 issue	-	(53,778)
Unamortized debt issuance costs - 2016 taxable loan	-	(35,715)
Long-term debt, net of unamortized debt issuance costs	14,952,157	9,348,705
Less: Current maturities	(596,158)	(4,888,615)
Long-term debt, less current maturities	$ 14,355,999	$ 4,460,090

Bonds

The Series 2014 bonds were issued on May 13, 2014 in the amount of $16,148,000 through a financing arrangement with the New Jersey Health Care Facilities Financing Authority (the “Authority”). The principal of the bonds matures and/or sinking fund installments become due on July 1 of each year until 2023. The Series 2014 series bonds were restructured in 2016 to reduce the rate of interest. Annual payment of the restructured bond principal and/or sinking fund requirements is $1,963,000. The interest rate on the bonds is 2.81% and payment is due on January 1 and July 1 of each year. Although the Series 2014 bonds are a liability of the Authority and certain amounts of the proceeds are held by a trustee, for accounting purposes, the obligation and trustee funds are treated as those of the Center.

In 2016, the Center also borrowed $14,350,000, using the proceeds to fund the Center’s pension plan with the intent to terminate the plan. The principal of this loan becomes due on July 1 of each year until 2023. Annual payments of the principal requirements range from $2,256,547 to $2,340,742. The interest rate on this loan is 3.68% and payment is due on January 1 and July 1 of each year.

The 2014 and 2016 bonds were paid off during 2022.

The aggregate cost basis of the debt issuance costs was $470,969 at December 31, 2021. Accumulated amortization was $381,476 at December 31, 2021. Amortization expense on the deferred financing cost was $89,493 and $60,242 for the years ended December 31, 2022 and 2021, respectively.

Notes Payable

During 2021, the Center entered into an agreement with a vendor for the purchase of medical equipment with a cost of approximately $1,348,500. In 2021, when the balance due to this vendor was $1,212,012, the Center entered into an agreement to pay the vendor 36 monthly, interest-free payments of $33,667. The outstanding balance on this loan was $707,007 and $1,111,011 at December 31, 2022 and 2021, respectively.

USDA Construction Loan and USDA Guaranteed Loan

In December 2021, the Center was issued and guaranteed loans by the United States Department of Agriculture (“USDA”) as follows: 1) an $88,174,000 direct loan by the USDA (the “USDA Loan”); and 2) a $10,277,000 loan by Greater Nevada Credit Union, guaranteed by the USDA (the “Guaranteed Loan”). These loans will underwrite the construction and renovation costs of the “Deborah 100” Expansion Project. The USDA Loan is a 40-year loan with a fixed interest rate of 2.125%. The Guaranteed Loan is a 30-year loan with a fixed interest rate of 4.07%. These loans will close once the certificate of occupancy for the renovations and expansion is issued. Completion of the “Deborah 100” Expansion Project is expected to occur in May 2024. To fund the “Deborah 100” Expansion Project during construction, Greater Commercial Lending, a credit union service organization wholly owned by Greater Nevada Credit Union, has committed to provide the Center with “drawdown” bridge financing, also guaranteed by the USDA, for a period of 3 years at a fixed rate of 2.89% and requires monthly interest only payments. The drawdown on the Greater Commercial Lending bridge financing began on December 16, 2021. The Greater Commercial Lending loan had a balance of $13,284,383 and $929,407 at December 31, 2022 and 2021, respectively. Repayment of the Greater Commercial Lending Loan is to begin after completion of the “Deborah 100” Expansion Project. The aggregate cost basis of the debt issuance costs for the USDA Loan was $369,077 and $327,627 at December 31, 2022 and 2021, respectively, and these amounts are included in non-current assets, on the consolidated balance sheets.

PSE&G Hospital Efficiency Program

In November 2021, the Center signed a $5,287,530 customer repayment agreement with Public Service Electric and Gas Company ("PSE&G") pursuant to the Hospital Efficiency Program. Of the total estimated advance, $3,202,567 is a reimbursable advance to be repaid in 60 monthly payments of $53,376. The remaining $2,084,963 of the non-reimbursable advance will be recorded by the Center as grant income. Funding of the PSE&G advances will be paid in three installments. The reimbursable advance is due upon completion of construction in connection with implementation of specific energy conservation measures at the Center. Construction is estimated to be completed in 2023. No payments were received from PSE&G in 2021. In 2022, the Center received $1,432,020 of funding from PSE&G, of which $960,767 is included in long-term debt and $471,253 is included in refundable advance on the accompanying balance sheet at December 31, 2022.

Future Principal Payments

Maturities and principal payments on long-term debt for the next five years are as follows:

	USDA Construction Loan and USDA Guaranteed Loans	Notes Payable	PSE&G Refundable Advance	Total
2023	$ -	$ 404,004	$ 192,154	$ 596,158
2024	13,284,383	303,003	192,154	13,779,540
2025	-	-	192,154	192,154
2026	-	-	192,154	192,154
2027	-	-	192,153	192,153
	$ 13,284,383	$ 707,007	$ 960,767	$ 14,952,157

Lines of Credit

The Foundation has a line of credit in the amount of $6,425,000 and $6,353,947 at December 31, 2022 and 2021, respectively, with an interest rate of 5.75% and 2.79%, at December 31, 2022 and 2021, respectively, which includes two letters of credit totaling $875,000 at December 31, 2022 and 2021, which expire on July 23, 2023, that are collateral for potential claims under the Center's workers' compensation insurance policy (see Note 13). The maximum amount that can be borrowed against the line of credit is $5,550,000 and $5,478,947 at December 31, 2022 and 2021, respectively. Although this line of credit is in the Foundation's name, and collateralized by Foundation assets, the liability, if any, and related interest expense are recorded on the Center's consolidated financial statements. At December 31, 2022 and 2021, no amounts were outstanding on this line of credit.

The Center had available another line of credit for $1,000,000 which was due on demand, with an interest rate of 1.55%, and required the Center to maintain with the bank a Certificate of Deposit of $1,000,000, which was included in cash and cash equivalents at December 31, 2021. The Certificate of Deposit matured in 2022 and was not renewed. This line of credit was paid off during 2022 and was not renewed. This line of credit had $1,000,000 outstanding at December 31, 2021.

10. RELATED ORGANIZATION

Contributions from the Foundation to the Center for operations amounted to $4,000,000 in 2022 and 2021, which are included in nonoperating revenue. Additionally, the Foundation raised on the behalf of the Center $3,872,831 and $10,056,376 for the years ended December 31, 2022 and 2021, respectively. The Center has included these amounts in other revenue, and realized gains and losses and contributions with donor restrictions. Funding by the Foundation to the Center for the Children of the World and other specific purpose programs amounted to $232,232 and $212,412 in 2022 and 2021, respectively, and is included in other revenue, and realized gains and losses in the consolidated statements of operations and changes in net assets. Any future contributions from the Foundation to the Center are at the discretion of the Foundation's Board of Directors. At December 31, 2022 and 2021, the Center had a receivable due from the Foundation in the amount of $6,236,496 and $5,804,650, respectively.

A summary of the Foundation's assets, liabilities and net assets, results of operations, and changes in net assets is as follows:

	2022	2021
Assets	$ 28,102,077	$ 27,360,210
Liabilities	$ 8,549,548	$ 8,053,421
Net assets		
Without donor restrictions	11,762,379	10,757,494
With donor restrictions	7,790,150	8,549,295
Total net assets	19,552,529	19,306,789
Total liabilities and net assets	$ 28,102,077	$ 27,360,210
Total revenue	$ 6,328,969	$ 805,817
Less: Expenses		
Program services	4,232,232	4,212,412
Management, administrative and general	74,534	83,220
Fundraising	1,776,463	1,942,352
Total expenses	6,083,229	6,237,984
Changes in net assets	245,740	(5,432,167)
Net assets		
Beginning of year	19,306,789	24,738,956
End of year	$ 19,552,529	$ 19,306,789

11. RETIREMENT BENEFIT PLANS

Defined Benefit Pension Plan

The Center had a noncontributory defined benefit pension plan (the "Plan") which covered all full-time employees of the Center and the Foundation who met prescribed eligibility requirements. The Center froze the Plan as of December 31, 2005 for all employees and replaced it with a defined contribution plan as of January 1, 2006. In 2021, the Center made the decision to terminate the Plan. In September 2021, the Plan began distributing payments to the participants. The Plan was fully distributed to participants in 2022 and the remaining balance was also distributed to the Center in 2022, and as a result the Plan was terminated in 2022. The Plan used a December 31 measurement date.

There were no amounts charged to the Foundation for pension expense related to the Plan during 2022 and 2021.

The following tables set forth the changes in benefit obligation, changes in Plan assets and components of net periodic benefit cost for the Plan at December 31:

	2022	2021
Change in benefit obligation		
Benefit obligation at beginning of year	$ 20,568,983	$ 64,897,959
Interest cost	(70,335)	1,534,413
Actuarial gain	(768,894)	(2,270,311)
Benefits and expenses paid	(19,729,754)	(43,593,078)
Benefit obligation at end of year	-	20,568,983
Change in Plan assets		
Fair value of the Plan assets at beginning of year	23,071,998	59,916,024
Actual return on Plan assets	(3,342,244)	6,749,052
Benefits and expenses paid	(19,729,754)	(43,593,078)
Fair value of the Plan assets at end of year	-	23,071,998
Funded status at end of year - recognized in consolidated balance sheets as due from defined benefit pension plan	$ -	$ 2,503,015
Accumulated benefit obligation	$ -	$ 20,568,983
Amounts recognized in accumulated net assets without donor restrictions net actuarial loss	$ -	$ 8,691,695

	2022	2021
Components of net periodic benefit cost		
Net periodic benefit cost		
Interest cost	$ (70,335)	$ 1,534,413
Expected return on Plan assets	-	(4,139,334)
Amortization of net loss	480,000	2,052,123
Lump sum distribution settlements	-	2,447,877
	409,665	1,895,079
Other changes in benefit obligations recognized in other changes in net assets without donor restrictions		
Net actuarial gain	(768,894)	(4,880,029)
Amortization of net gain	480,000	(2,052,123)
	(288,894)	(6,932,152)
Total recognized in net benefit cost and without donor restrictions	$ 120,771	$ (5,037,073)

There is no estimated net actuarial loss that will be amortized from other changes in net assets without donor restrictions into net periodic benefit cost over the next fiscal year.

	2022	2021
Assumptions		
Weighted average assumptions used to determine pension obligation		
Discount rate	2.81%	2.55%
Rate of compensation increase	N/A	N/A
Weighted average assumptions used to determine net periodic benefit cost for the year ended		
Discount rate	2.81%	2.55%
Rate of compensation increase	N/A	N/A
Expected return on the Plan assets	N/A	7.50%

Plan Assets

The Plan's asset allocations by asset category are as follows:

	Target Asset Allocation 2023	Target Asset Allocation 2022	December 31, 2022	December 31, 2021
Asset category				
Cash	0%	0%	0%	0%
Equity securities	0%	0%	0%	0%
Fixed income (including cash)	0%	100%	0%	100%
	0%	100%	0%	100%

The expected long-term rate of return for the Plan's total assets was based on the expected return of each of the above categories, weighted based on the target allocation for each class. Equity securities were expected to return 9% to 10% over the long-term, while fixed income was expected to return between 5% and 6%.

The investment policy, as established by the Investment Committee, was to provide for growth of capital with a moderate level of volatility by investing assets per the target allocations stated above. The asset allocation and the investment policy were reviewed periodically to determine if the policy should be changed.

Fair Value of the Plan Assets

There were no Plan assets at December 31, 2022. The following fair value hierarchy table presents information about each major category of the Plan's financial assets measured at fair value, using the market approach, on a recurring basis at December 31, 2021:

	2021		
	Level 1	**Level 2**	**Total**
Cash and cash equivalents	$ 1,086,473	$ -	$ 1,086,473
Fixed income (a)	2,975,376	19,500,862	22,476,238
	$ 4,061,849	$ 19,500,862	$ 23,562,711

(a) Comprised of investment grade bonds of issuers from various industries which are presented as Level 2 and U.S. government issues which are presented as Level 1.

Cash Flows

Contributions

There are no contributions expected to be paid into the Plan in 2023.

Defined Contribution Plans

The Center sponsors a 401(k) savings plan covering all employees. Employer contributions to the 401(k) savings plan are based on a formula as defined by the 401(k) plan document. Expense related to the 401(k) savings plan was $1,752,269 and $612,638 for the years ended December 31, 2022 and 2021, respectively.

For reasons relating primarily to proposed changes by the Internal Revenue service to certain non-qualified plans, the Center's Board resolved, effective January 1, 2017, to freeze the 457(e) Severance Savings Plan ("SSP"), as amended and restated. No voluntary deferrals were permitted under the terms of the SSP after December 31, 2017, and the SSP was frozen as of that date. The accounts of all participants in the SSP are preserved and will be administered until such time as participants or their beneficiaries become entitled to distribution, all in accordance with the terms of the Plan.

A frozen Supplemental Executive Retirement Plan ("SERP") is also being administered until such time as participants or their beneficiaries become entitled to distribution, in accordance with the terms of the SERP.

The total deposits in these frozen plans at December 31, 2022 and 2021 were $515,313 and $1,044,232, respectively. The plans' liabilities are recorded in accrued retirement benefits in the consolidated balance sheets. As of December 31, 2022 and 2021, the frozen SSP balance was $515,313 and $1,043,934, respectively. As of December 31, 2022 and 2021, $0 and $298, respectively, of the balances above were held in the frozen SERP.

In 2017, the Center's Board created a new non-qualified plan, a 457(f) Deborah-Funded Top Hat Plan. The Center may, at its sole discretion, deposit funds into this plan. This plan had a balance of $207,493 and $626,571 at December 31, 2022 and 2021, respectively.

Effective January 1, 2018, the Center's Board created another new non-qualified plan, a 457(b) Employee-Funded Savings Plan. A designated group of management and physicians are eligible to participate in this 457(b) plan. This plan had a balance of $575,771 and $633,121 at December 31, 2022 and 2021, respectively.

The assets of these plans remain the assets of the Center. The participants bear the risk of forfeiting their balances in these plans under certain, defined circumstances.

12. LEASES

The Center leases various equipment and facilities under operating leases expiring at various dates through 2028.

The following summarizes lease expense for the year ended December 31, 2022:

Finance lease	
Amortization of right of use assets	$ 312,708
Interest on lease liabilities	6,074
Total finance lease	318,782
Operating leases	1,222,704
Short-term lease cost	1,285,153
Total cost associated with financing and operating leases	$ 2,826,639
Right-of-use asset obtained in exchange for new operating lease liability	$ 428,310
Other information	
Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from finance leases	$ 6,074
Operating cash flows from operating leases	$ 1,121,971
Financing cash flows from finance leases	$ 316,581
Weighted-average remaining lease term - finance leases	1.14 years
Weighted-average remaining lease term - operating leases	5.18 years
Weighted-average discount rate - finance leases	2.13%
Weighted-average discount rate - operating leases	1.47%

For finance leases, ROU assets are included in property, plant and equipment and their lease liabilities are recorded in liabilities - financing, current and long-term, in the accompanying consolidated balance sheet at December 31, 2022. For operating leases, the ROU assets are recorded in noncurrent assets and lease liabilities are recorded in lease liabilities - operating, current and long-term, in the accompanying consolidated balance sheet at December 31, 2022.

The following table is a maturity analysis of the annual undiscounted cash flows for both operating and finance leases recorded in the accompanying consolidated balance sheet at December 31, 2022:

	Finance Lease	Operating Leases
2023	$ 169,387	$ 1,163,480
2024	43,690	1,075,369
2025	-	998,399
2026	-	968,466
2027	-	816,908
Thereafter	-	730,824
Total lease payments	213,077	5,753,446
Less: Imputed interest	(2,769)	(231,905)
Total lease obligation	210,308	5,521,541
Less: Current portion	(166,633)	(1,088,062)
Long-term portion	$ 43,675	$ 4,433,479

As of December 31, 2021, the following disclosures under prior accounting guidance are as follows:

Lease expense was $2,171,904 for the year ended December 31, 2021. Minimum future lease payments were $2,303,437 in 2022, $1,620,677 in 2023, $1,214,011 in 2024, $773,566 in 2025, $751,340 in 2026 and $1,003,316 thereafter.

Leased Property

In July 2019, the Center and Capital Health System, Inc. (“Capital Health”) signed a lease agreement for the Satellite Emergency Department (“SED”), in which the Center has leased designated space on the first floor of the Center's campus for Capital Health to operate the SED, while the Center has agreed to provide certain ancillary services to patients of the SED including various clinical (laboratory, radiology, respiratory and pharmacy), non-clinical (housekeeping and security), and on-demand (facilities maintenance, IT and bio-medical engineering) services. The lease expires on June 30, 2024. The monthly rental payments are $19,185 ($230,225 annually). Future minimum rental payments to be received are $ 230,225 in 2023 and $115,113 in 2024. In addition to the monthly rental charge, Capital Health is required to reimburse the Center for the ancillary charges. For the years ended December 31, 2022 and 2021, Capital Health paid the Center $2,374,968 and $2,229,337, respectively.

On June 1, 2016, the Center (“Lessor”) signed a Ground Lease with Browns Mills Medical Office Building, LLC (“Lessee”), in which the Center has leased a portion of its land to the Lessee to develop and construct a medical office building containing approximately 60,000 gross square feet. The Lessee has agreed to pay the Center fair market annual rent of $32,500 for the first ten years and increased once every ten years based upon a 2% per year increase, compounded annually, and then fixed for each ten year period during the term. The initial lease term is fifty years with two renewal terms of ten years each at the option of the Lessee. The obligation on the part of the Lessee to pay rent commenced on January 11, 2017.

13. COMMITMENTS AND CONTINGENCIES

Professional and General Liability Insurance

The Center addresses its risk of professional and general liability loss by means of aggressive and consistent risk management initiatives, and funds its expected losses through Deborah Medical Associates Insurance Company, LLC, a wholly-owned captive insurance company domiciled in New Jersey. Since its inception on January 1, 2016, DMAIC issued occurrence basis professional liability and general liability insurance policies covering the Hospital, its employees and allieds who are on the medical staff of the Center and who meet specific underwriting criteria.

The Center purchases excess liability coverage in excess of DMAIC coverage for claims in excess of $2,000,000 on an individual claim basis and a maximum limit of $6,000,000 annual aggregate. The Center's excess coverage level is $20,000,000 for any claims breaching the initial limits. Since the inception of the self-insured program in 1988, the Center has maintained various levels of excess insurance coverage. At December 31, 2022 and 2021, no claims have reached excess insurance levels.

As of October 1, 2016, DCG insured its professional liability coverage through DMAIC with limits of $1,000,000 each medical incident for each insured physician, insured allied, or insured medical organization; and $3,000,000 aggregate limit for healthcare professional liability for each insured physician, insured allied, or insured medical organization.

Total policy limits for healthcare professional liability for all insureds combined are: $2,000,000 each claim for all insureds combined; and $6,000,000 aggregate limit for all insureds combined. The total policy aggregate and total policy each claim limits are shared by all policies written by DMAIC regardless of the number of insureds, claims or claimants involved.

Malpractice Litigation

The Center is a defendant in civil actions for alleged medical malpractice and general liability claims. These actions are being defended by the Center and its medical malpractice insurance carrier. In the opinion of management, the Center's liability in these actions will be within the limits of DMAIC’s medical malpractice and comprehensive general liability coverage; and within the limits of the insured excess coverage; however, there can be no assurance in this regard.

Workers' Compensation

The Center maintains statutory workers' compensation coverage with an insurance company, subject to a deductible of bodily injury by accident of $300,000 each occurrence; bodily injury by disease of $300,000 each employee; all covered bodily injury of $1,500,000 aggregate. The Workers’ Compensation policy also includes Employers Liability Insurance with limits of: bodily injury by accident: $1,000,000 each accident; bodily injury by disease: $1,000,000 policy limit; and bodily injury by disease: $1,000,000 each employee; for 2022 and 2021. The aggregate deductible amount is a minimum deductible amount that is subject to adjustment based on a rate of 1.747 per each $100 that the audited workers’ compensation remuneration exceeds the estimated payroll at inception. Due to this level of retention, the Center is required to post collateral, which is in the form of letters of credit (see Note 9) for outstanding open years. Based upon historical loss experience, the Center recorded a liability for the estimated retention and costs of claims not reported of $856,145 and $523,326 at December 31, 2022 and 2021, respectively. The liability is recorded as a component of accrued compensation and employee benefits.

DCG maintains a separate Guaranteed Cost Workers Compensation policy with an insurance company with statutory limits for workers’ compensation coverage; and, with Employers Liability limits of $1,000,000 each accident Bodily Injury by Accident; $1,000,000 policy limit Bodily Injury by Disease; $1,000,000 each employee Bodily Injury by Disease.

Professional Services Agreements

The Center entered into a series of Professional Services Agreements with certain physician practices whereby payments are made by the Center to the practices for physician productivity using third-party fair market value data. In exchange, payments on amounts billed and collected from patients are remitted to the Center. The Center and the practices also entered into Staff Services Agreements and Practice Space and Expenses Agreements whereby the Center pays for the expenses associated with operating the practices. Total expenses related to these agreements were $5,399,540 and $6,130,055 for the years ended 2022 and 2021, respectively. The aggregate amounts budgeted for these practices in 2023 total approximately $5,023,000.

Construction Commitments

On December 16, 2021, the Center signed a $52,251,888 construction contract (the “contract”) naming the primary contractor for the “Deborah 100” Expansion Project. The contract calls for progress billings on a monthly basis based on most recent value of work completed. Retainage on these billings will be withheld at 10% of value of work until the contract is 50% complete. At 50% completion or any time after when progress of the work is not satisfactory, additional amounts may be retained, but not to exceed 10% of the value of work. Final payment constituting the entire unpaid balance shall be made when the primary contractor has fully performed the contract, except for the primary contractor’s responsibility to correct work and a final certificate for payment has been issued by the architect. As of December 31, 2022, total costs incurred under this contract amounted to $15,996,264, and outstanding retainage payable balance was $1,599,626.

14. CONCENTRATIONS OF CREDIT RISK

The Center grants credit without collateral to its patients who are insured under third-party payor agreements. The mix of accounts receivable from third-party payors was as follows:

	2022	2021
Medicare	53 %	49 %
Managed care	22	29
Commercial insurance	8	4
Blue Cross	8	8
Medicaid	9	10
	100 %	100 %

The Center maintains cash and equivalents in a financial institution which regularly exceed Federal Deposit Insurance Corporation limits. Any loss incurred or a lack of access to such funds could have a significant adverse impact on the Center’s financial condition, results of operations, and cash flows.

The Center routinely invests its surplus cash in money market mutual funds. The money market funds are generally invested in U.S. Government and agency obligations. These investments are not insured or guaranteed by the U.S. Government; however, insurance is maintained by investment brokers through the Securities Investor Protection Corporation (“SIPC”), which offers limited coverage up to a ceiling of $500,000 (including a maximum of $250,000 for claims of uninvested cash). The SIPC insurance does not protect against market losses on investments.

15. FUNCTIONAL EXPENSES

The Center's primary program service is to provide comprehensive inpatient and outpatient cardiac, vascular, and pulmonary health care services. The consolidated financial statements report certain expense categories that are attributable to both program services and management, administrative and general functions. Therefore, the natural expenses require allocation on a reasonable basis, that is consistently applied, across functional expense categories. Certain expenses are wholly allocated to either program or management, administrative and general because they directly support those functions. There are certain other categories of expenses that are attributable to more than one function, so they are allocated accordingly. Those expenses include benefits, insurance, depreciation and interest. Those expenses are allocated based on a percentage of program salaries and management, administrative and general salaries to total salaries.

Expenses by functional classification for the years ended December 31, 2022 and 2021 consist of the following:

	2022		
	Program Services	Management, Administrative and General	Total Expenses
Salary and wages	$ 83,425,805	$ 17,931,021	$ 101,356,826
Employee benefits	15,389,839	3,348,208	18,738,047
Supplies and other expenses	77,049,767	23,496,427	100,546,194
Interest	235,006	52,501	287,507
Depreciation and amortization	5,626,794	1,257,040	6,883,834
	$ 181,727,211	$ 46,085,197	$ 227,812,408

	2021		
	Program Services	Management, Administrative and General	Total Expenses
Salary and wages	$ 77,839,443	$ 16,898,583	$ 94,738,026
Employee benefits	15,594,103	3,374,672	18,968,775
Supplies and other expenses	73,654,243	24,796,348	98,450,591
Interest	357,293	79,892	437,185
Depreciation and amortization	5,862,417	1,272,516	7,134,933
	$ 173,307,499	$ 46,422,011	$ 219,729,510

16. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods at December 31:

	2022	2021
Subject to expenditure for specified purpose		
Health care services	$ 95,895	$ 93,999
Purchase of property, plant and equipment	396,109	388,309
Capital campaign donations	7,372,012	7,372,012
Nursing scholarships	2,000,000	2,000,000
	9,864,016	9,854,320
Subject to passage of time		
Beneficial interest in perpetual trust	1,538,738	2,004,603
Beneficial interest in restricted net assets with donor restrictions of Deborah Hospital Foundation	6,988,536	7,543,217
	8,527,274	9,547,820
	$ 18,391,290	$ 19,402,140

During 2022 and 2021, net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose of health care services and purchase of property, plant, and equipment in the amount of $40,304 and $2,419,977, respectively.

17. BOARD DESIGNATED NET ASSETS

The Board designated net assets are restricted for future operations. These funds are in a separate brokerage account, and funds can only be withdrawn from that account after management has obtained approval from the Board of Trustees.

Board designated net assets consist of the following at December 31:

	2022	2021
For future operations	$ 11,314,367	$ 13,280,225
Apartment security deposits	2,354	2,354
Severance savings plan	515,313	1,043,934
Supplemental retirement plan	-	298
457(f) deferred compensation plan	207,493	626,571
457(b) deferred compensation plan	575,771	633,121
	$ 12,615,298	$ 15,586,503

18. NET ASSETS WITHOUT DONOR RESTRICTIONS

Included in net assets without donor restrictions are unrealized gains from DMAIC's investments in the amount of $67,504 and $4,986 at December 31, 2022 and 2021, respectively.

19. SUBSEQUENT EVENTS

The Center evaluated its December 31, 2022 consolidated financial statements for subsequent events through May 31, 2023, the date the consolidated financial statements were available to be issued. Based on this evaluation, the Center has determined that no subsequent events, have occurred that required disclosure in the consolidated financial statements.