

**Hoboken Municipal Hospital Authority**  
**(A Component Unit of the City of Hoboken)**  
**Summary or Synopsis of Audit for Publication**  
**as required by N.J.S. 40a:5-7**  
**Statement of Net Assets**  
**December 31, 2008 and 2007**

|   | <u>2008</u>          | <u>2007</u>           |
|---|----------------------|-----------------------|
| <b>ASSETS:</b>  |                      |                       |
| <b>CURRENT ASSETS:</b>  |                      |                       |
| Cash and equivalents  | \$ 361,167           | \$ 7,535,772          |
| Patient receivables, net of allowance for doubtful accounts<br>of \$44,648,980 and \$16,250,914 | 15,455,664           | 14,728,610            |
| Grants and subsidies receivable   | 5,197,399            | 3,198,170             |
| Due from Foundation   | 2,032,255            | -                     |
| Inventories   | 2,159,412            | 1,923,310             |
| Other current assets  | 2,126,504            | 1,396,826             |
|   | <u>27,332,401</u>    | <u>28,782,688</u>     |
| <br>  |                      |                       |
| <b>RESTRICTED FUNDS:</b>  |                      |                       |
| Cash and equivalents  | 19,555,114           | 34,424,745            |
| <br>  |                      |                       |
| <b>CAPITAL ASSETS - Net</b>   | 43,251,250           | 41,274,553            |
| <br>  |                      |                       |
| <b>BOND ISSUANCE COSTS - Net</b>  | <u>1,590,188</u>     | <u>985,198</u>        |
| <br>  |                      |                       |
| <b>TOTAL</b>  | <u>\$ 91,728,953</u> | <u>\$ 105,467,184</u> |
| <br>  |                      |                       |
| <b>LIABILITIES AND NET ASSETS:</b>  |                      |                       |
| <b>CURRENT LIABILITIES:</b>   |                      |                       |
| Accounts payable and accrued expenses   | \$ 3,127,978         | \$ 2,281,715          |
| Accrued interest payable  | 1,059,788            | 1,478,166             |
| Deferred revenue  | 6,160,962            | 2,924,269             |
| Due to Hudson Healthcare, Inc.  | 15,945,101           | 12,009,670            |
| Current portion of long term debt   | 9,720,000            | 2,300,000             |
|   | <u>36,013,829</u>    | <u>20,993,820</u>     |
| Total current liabilities   | 36,013,829           | 20,993,820            |
| <br>  |                      |                       |
| <b>LONG TERM DEBT</b>   | 42,280,000           | 49,335,000            |
| <br>  |                      |                       |
| <b>TOTAL LIABILITIES</b>  | <u>78,293,829</u>    | <u>70,328,820</u>     |
| <br>  |                      |                       |
| <b>NET ASSETS:</b>  |                      |                       |
| Invested in capital assets net of related debt  | (20,548,648)         | (28,735,965)          |
| Restricted  | 19,219,592           | 33,191,678            |
| Unrestricted  | 14,764,180           | 30,682,651            |
|   | <u>13,435,124</u>    | <u>35,138,364</u>     |
| <b>NET ASSETS:</b>  | <u>13,435,124</u>    | <u>35,138,364</u>     |
| <br>  |                      |                       |
| <b>TOTAL</b>  | <u>\$ 91,728,953</u> | <u>\$ 105,467,184</u> |

**Hoboken Municipal Hospital Authority**  
**(A Component Unit of the City of Hoboken)**  
**Statement of Revenues, Expenses, and Changes in Net Assets**  
**For the Year Ended December 31, 2008**  
**And For the Eleven Months Ended December 31, 2007**

|  | <u>2008</u>          | <u>2007</u>          |
|--|----------------------|----------------------|
| <b>OPERATING REVENUES:</b>   |                      |                      |
| Patient service revenue, net of contractual adjustments            | \$ 118,250,989       | \$ 102,457,043       |
| Provision for bad debts  | <u>21,877,255</u>    | <u>16,250,914</u>    |
| Patient service revenue, net                                       | 96,373,734           | 86,206,129           |
| Other operating revenues   | <u>28,298,660</u>    | <u>37,355,571</u>    |
| Total operating revenues   | <u>124,672,394</u>   | <u>123,561,700</u>   |
| <b>OPERATING EXPENSES:</b>   |                      |                      |
| Management fees & other  | 142,154,802          | 123,136,074          |
| Other  | <u>392,163</u>       | <u>314,778</u>       |
| Total management fees and other                                    | <u>142,546,965</u>   | <u>123,450,852</u>   |
| <b>INCOME FROM OPERATIONS BEFORE DEPRECIATION AND AMORTIZATION</b> | (17,874,571)         | 110,848              |
| Depreciation and amortization                                      | <u>4,414,310</u>     | <u>4,129,834</u>     |
| <b>LOSS FROM OPERATIONS</b>  | <u>(22,288,881)</u>  | <u>(4,018,986)</u>   |
| <b>NONOPERATING INCOME (EXPENSE)</b>                               |                      |                      |
| Contributions:   |                      |                      |
| Cash   | -                    | 6,833,649            |
| Capital assets   | -                    | 32,934,954           |
| Donations  | 2,415,000            | -                    |
| Investment income  | 401,186              | 1,709,624            |
| Interest expense   | <u>(2,230,545)</u>   | <u>(2,320,877)</u>   |
| Nonoperating income (expense) - net                                | <u>585,641</u>       | <u>39,157,350</u>    |
| <b>REVENUES OVER EXPENSES</b>                                      | (21,703,240)         | 35,138,364           |
| <b>NET ASSETS, BEGINNING OF PERIOD</b>                             | <u>35,138,364</u>    | <u>-</u>             |
| <b>NET ASSETS, END OF PERIOD</b>                                   | <u>\$ 13,435,124</u> | <u>\$ 35,138,364</u> |

The above summary or synopsis was prepared from the report of audit of the Hoboken Municipal Hospital Authority for the period January 1, 2008 to December 31, 2008. This report of audit, submitted by McEnerney, Brady and Company, Certified Public Accountants, is on file at the Authority's office and may be inspected by any interested person.

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Executive Director