



Quarterly Disclosure Statements  
(Unaudited)  
For the Nine Months Ended September 30, 2024  
For

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Advocate Aurora Health, Inc.

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The Charlotte-Mecklenburg Hospital Authority  
Combined Group

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Wake Forest Baptist Combined Group

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**ADVOCATE HEALTH, INC.**  
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## Introduction

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### **Purpose of this Report**

The purpose of this report is to provide information necessary to comply with continuing disclosure undertakings for the Advocate Aurora Health Credit Group, The Charlotte-Mecklenburg Hospital Authority d/b/a Atrium Health Combined Group and the Atrium Health Wake Forest Baptist Combined Group, as described below, all of which are now part of an integrated health care delivery and academic system known as Advocate Health.

### **Advocate Health**

Advocate Aurora Health, Inc., a Delaware nonprofit nonstock corporation (“AAH”) and Atrium Health, Inc., a North Carolina nonprofit corporation (“AHI”), entered into a Joint Operating Agreement pursuant to which they created Advocate Health, Inc., a Delaware nonprofit nonstock corporation (the “Advocate Health JOC”), to manage and oversee Advocate Health, which focuses on meeting patients’ needs by redefining how, when and where care is delivered. AAH and AHI are the two corporate members of the Advocate Health JOC. AAH and the entities comprising the “AAH System” described below (the “AAH System Entities”) and AHI and the other participants in the “AHI Enterprise” described below (the “AHI Enterprise Entities”) have maintained their separate legal existence and no sale, transfer or other conveyance of their assets occurred in connection with the formation of Advocate Health. No assumption or guaranty of debt or other liabilities of the AAH System Entities or AHI Enterprise Entities, or changes to their respective credit groups described below, occurred in connection with the formation of Advocate Health. Advocate Health has a combined footprint across Illinois, Wisconsin, North Carolina, South Carolina, Georgia and Alabama.

### **Advocate Aurora Health, Inc.**

AAH is the sole corporate member of Advocate Health Care Network, an Illinois not for profit corporation, (“Advocate”) and Aurora Health Care, Inc., a Wisconsin nonstock not-for-profit corporation (“Aurora”). AAH, Advocate, Aurora and their controlled subsidiaries are collectively referred to herein as the “AAH System.” The AAH System serves patients across northern and central Illinois and eastern Wisconsin. The participants in the AAH System do business as Advocate in Illinois and as Aurora in Wisconsin.

### **Atrium Health, Inc.**

The Charlotte-Mecklenburg Hospital Authority (“CMHA” or “Atrium Health CMHA”), which directly and through its affiliates does business as Atrium Health, and the Wake Forest Baptist Health system (“Wake Forest Baptist” or “Atrium Health Wake Forest Baptist), including Wake Forest School of Medicine, are part of a single enterprise (the “AHI Enterprise”), governed and managed by AHI pursuant to a health system integration agreement and related agreements. The AHI Enterprise serves patients across North Carolina, South Carolina, Georgia and Alabama. The participants in the AHI Enterprise do business as Atrium Health and Atrium Health Wake Forest Baptist (in North Carolina and South Carolina) and as Atrium Health Navicent and Atrium Health Floyd (in Georgia and Alabama).



**Advocate Health**  
**Introduction**

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The financial position and results of operation of Advocate Health are presented by combining the financial statements of AAH, Atrium Health CMHA and Atrium Health Wake Forest Baptist, which are under the common management of the Advocate Health JOC. Advocate Health, which includes Atrium Health CMHA, has prepared its financial statements in accordance with accounting principles as promulgated by the Financial Accounting Standards Board ("FASB"). Atrium Health CMHA is a governmental entity as defined by the Governmental Accounting Standards Board ("GASB"); accordingly, accounting principles as promulgated by GASB are the appropriate accounting principles for Atrium Health CMHA to follow. Preparation of the Advocate Health combined financial statements requires the financial statements of Atrium Health CMHA to be converted from presentation in accordance with GASB accounting principles to presentation in accordance with FASB accounting principles prior to combination.

The Advocate Health combined financial statements are not required to be delivered pursuant to any continuing disclosure undertaking and are being provided on a voluntary basis.

**ADVOCATE HEALTH**  
**COMBINED BALANCE SHEETS - FASB**  
(in thousands)

	<u>September 30, 2024</u>	<u>December 31, 2023</u>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 2,284,087	\$ 2,260,650
Short term investments	48,871	38,960
Assets limited as to use	184,545	232,844
Patient accounts receivable	3,900,123	3,770,804
Other current assets	2,394,024	1,986,633
Total current assets	<u>8,811,650</u>	<u>8,289,891</u>
Other assets		
Assets limited as to use	23,508,862	21,255,434
Property and equipment, net	13,174,234	12,605,078
Operating lease right-of-use assets	1,034,626	997,099
Other noncurrent assets	1,312,201	1,470,383
Total other assets	<u>39,029,923</u>	<u>36,327,994</u>
<b>Total assets</b>	<b><u>\$ 47,841,573</u></b>	<b><u>\$ 44,617,885</u></b>
<b>Liabilities</b>		
Current liabilities		
Long-term debt, current portion	\$ 1,063,143	\$ 1,247,479
Operating lease liabilities, current portion	194,913	185,955
Accrued salaries and employee benefits	2,190,629	2,366,585
Accounts payable and other accrued liabilities	3,200,636	2,691,445
Third-party payors payables	894,836	805,721
Total current liabilities	<u>7,544,157</u>	<u>7,297,185</u>
Noncurrent liabilities		
Long-term debt, less current portion	6,668,656	6,514,016
Operating lease liabilities, less current portion	922,157	888,095
Obligations under swap agreements	126,753	122,271
Other noncurrent liabilities	3,302,975	3,303,141
Total noncurrent liabilities	<u>11,020,541</u>	<u>10,827,523</u>
<b>Total liabilities</b>	<b><u>18,564,698</u></b>	<b><u>18,124,708</u></b>
<b>Net assets</b>		
Without donor restrictions		
Controlling interest	27,728,814	25,052,618
Noncontrolling interests in subsidiaries	207,457	202,324
Total net assets without donor restrictions	<u>27,936,271</u>	<u>25,254,942</u>
With donor restrictions	1,340,604	1,238,235
Total net assets	<u>29,276,875</u>	<u>26,493,177</u>
<b>Total liabilities and net assets</b>	<b><u>\$ 47,841,573</u></b>	<b><u>\$ 44,617,885</u></b>

**ADVOCATE HEALTH**  
**COMBINED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS - FASB**  
(in thousands)

	<b>Nine Months Ended September 30, 2024</b>	<b>Nine Months Ended September 30, 2023</b>
<b>Revenue</b>		
Patient service revenue	\$ 21,595,491	\$ 19,254,943
Capitation revenue	893,359	915,363
Other revenue	3,282,417	2,660,077
Total revenue	<u>25,771,267</u>	<u>22,830,383</u>
<b>Expenses</b>		
Salaries, wages and benefits	14,194,367	13,274,728
Supplies and drugs	5,465,377	4,654,253
Purchased services and other expenses	4,033,909	3,693,645
Depreciation and amortization	911,939	906,714
Interest	201,491	221,624
Total expenses	<u>24,807,083</u>	<u>22,750,964</u>
<b>Operating income</b>	<b>964,184</b>	<b>79,419</b>
<b>Nonoperating income</b>		
Investment income, net	1,794,746	625,699
Other nonoperating (loss) income, net	(43,909)	60,088
Total nonoperating income, net	<u>1,750,837</u>	<u>685,787</u>
<b>Revenue in excess of expenses</b>	<b>2,715,021</b>	<b>765,206</b>
Less income attributable to noncontrolling interests	(51,119)	(44,036)
<b>Revenue in excess of expenses - attributable to controlling interest</b>	<b>\$ 2,663,902</b>	<b>\$ 721,170</b>

**ADVOCATE HEALTH**  
**COMBINED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS - FASB**  
(in thousands)

	<b>Nine Months Ended September 30, 2024</b>	<b>Nine Months Ended September 30, 2023</b>
<b>Net assets without donor restrictions, controlling interest</b>		
Revenue in excess of expenses - attributable to controlling interest	\$ 2,663,902	\$ 721,170
Pension-related changes other than net periodic pension costs	6,085	20,330
Other, net	6,209	14,194
Increase in net assets without donor restrictions, controlling interest	<u>2,676,196</u>	<u>755,694</u>
<b>Net assets without donor restrictions, noncontrolling interests</b>		
Revenues in excess of expenses	51,119	44,036
Distributions to noncontrolling interests	(45,986)	(30,353)
Increase in net assets without donor restrictions, noncontrolling interests	<u>5,133</u>	<u>13,683</u>
<b>Net assets with donor restrictions</b>		
Contributions	137,384	121,456
Investment income, net	64,082	24,378
Net assets released from restrictions	(106,956)	(112,272)
Other, net	7,859	130
Increase in net assets with donor restrictions	<u>102,369</u>	<u>33,692</u>
<b>Increase in net assets</b>	<b>2,783,698</b>	<b>803,069</b>
Net assets at beginning of period	26,493,177	24,295,691
<b>Net assets at end of period</b>	<b><u>\$ 29,276,875</u></b>	<b><u>\$ 25,098,760</u></b>

**ADVOCATE HEALTH**  
**COMBINED STATEMENTS OF CASH FLOWS - FASB**  
(in thousands)

	<b>Nine Months Ended September 30, 2024</b>	<b>Nine Months Ended September 30, 2023</b>
<b>Cash flows from operating activities</b>		
Increase in net assets	\$ 2,783,698	\$ 803,069
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation, amortization and accretion	897,614	907,926
Amortization of operating lease right-of-use assets	153,928	154,539
Gain on sale of disposal group	(84,511)	—
Pension-related changes other than net periodic pension cost	(6,085)	(20,330)
Distribution to noncontrolling interests	53,310	36,488
Other	(70,760)	(140,311)
Changes in operating assets and liabilities		
Trading securities, net	(2,244,468)	(371,434)
Patient accounts receivable	(108,838)	(170,345)
Third-party payors receivable and payable, net	157,450	82,335
Other assets and liabilities, net	(184,668)	(638,248)
Net cash provided by operating activities	<u>1,346,670</u>	<u>643,689</u>
<b>Cash flows from investing activities</b>		
Capital expenditures	(1,429,805)	(997,069)
Cash received from sale of disposal group	177,995	—
Acquisition of business, net of cash acquired	(116,706)	—
Investments in unconsolidated entities, net	(8,474)	(44,770)
Other	3,401	473,291
Net cash used in investing activities	<u>(1,373,589)</u>	<u>(568,548)</u>
<b>Cash flows from financing activities</b>		
Repayments of long-term debt, net	(266,623)	(332,650)
Proceeds from issuance of long-term debt	250,806	174,195
Distribution to noncontrolling interests	(53,310)	(36,488)
Proceeds from restricted contributions and income on investments	109,247	69,954
Net cash provided by (used in) financing activities	<u>40,120</u>	<u>(124,989)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>13,201</b>	<b>(49,848)</b>
Cash and cash equivalents at beginning of period	2,318,787	1,441,867
<b>Cash and cash equivalents at end of period</b>	<b><u>\$ 2,331,988</u></b>	<b><u>\$ 1,392,019</u></b>
<b>Reconciliation of cash and cash equivalents to the balance sheet</b>		
Cash and cash equivalents	2,284,087	1,337,090
Restricted cash in investments and assets whose use is limited	47,901	54,929
	<u>\$ 2,331,988</u>	<u>\$ 1,392,019</u>



**ADVOCATE HEALTH**  
**UTILIZATION STATISTICS AND KEY FINANCIAL RATIOS**

	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023	Change	% Change
<b>Census</b>				
Discharges	411,635	382,303	29,332	7.7 %
Observation Cases	124,801	137,433	(12,632)	(9.2)%
Total Bedded Patients	536,436	519,736	16,700	3.2 %
Inpatient Length of Stay <sup>(1)</sup>	5.39	5.47	(0.08)	(1.5)%
Case Mix index	1.79	1.81	(0.02)	(1.1)%
<b>Other Volume Stats</b>				
Inpatient Surgeries	95,362	93,262	2,100	2.3 %
Outpatient Surgeries	239,593	234,455	5,138	2.2 %
Total Surgeries	334,955	327,717	7,238	2.2 %
ED Visits	1,702,063	1,616,546	85,517	5.3 %
wRVUs <sup>(1)</sup>	43,749,866	39,724,246	4,025,620	10.1 %

<sup>(1)</sup>Prior year was updated to reflect the current year measurement methodology

	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
<b>Operating Performance</b>		
Operating margin <sup>(1)</sup>	3.7%	0.3%
Operating cash flow margin <sup>(2)</sup>	8.1%	5.3%
Excess margin <sup>(3)</sup>	9.9%	3.3%
	As of September 30, 2024	As of December 31, 2023
<b>Leverage and Liquidity</b>		
Debt to capitalization <sup>(4)</sup>	21.7%	23.5%
Cash to debt <sup>(5)</sup>	317%	283%
Days cash on hand <sup>(6)</sup>	281	268

<sup>(1)</sup> Operating income/Total revenue

<sup>(2)</sup> (Operating income + Interest + Depreciation and amortization)/Total revenue

<sup>(3)</sup> Revenue in excess of expenses/(Total revenue + Total nonoperating income, net)

<sup>(4)</sup> (Long-term debt, current portion + Long-term debt, less current portion)/(Long-term debt, current portion + Long-term debt, less current portion + Total net assets without donor restrictions)

<sup>(5)</sup> Unrestricted cash and investments/(Long-term debt, current portion + Long-term debt, less current portion)

<sup>(6)</sup> Unrestricted cash and investments/((Total expenses - Depreciation and amortization)/days in period). The days cash on hand ratio is calculated from expenses on a trailing 12 month basis.

**ADVOCATE HEALTH  
OTHER FINANCIAL INFORMATION**

**Sources of Patient Service Revenue**

In the nine months ended September 30, 2024 and 2023, the composition of Advocate Health's patient service revenue by payor was as follows:

<b>Payor Mix</b>	<b>Nine Months Ended September 30, 2024</b>	<b>Nine Months Ended September 30, 2023</b>
Managed care	49 %	50 %
Medicare	31 %	32 %
Medicaid	17 %	14 %
Self-pay and other	3 %	4 %
	<u>100 %</u>	<u>100 %</u>

**Unrestricted cash and investments**

As of September 30, 2024 and December 31, 2023, the composition of Advocate Health's unrestricted cash and investments was as follows:

	<b>As of September 30, 2024</b>	<b>As of December 31, 2023</b>
Cash and cash equivalents	\$ 2,284,087	\$ 2,260,650
Short term investments	48,871	38,960
Long-term investments, excluding restricted assets limited as to use	22,179,041	19,660,513
<b>Total unrestricted cash and investments</b>	<u>\$ 24,511,999</u>	<u>\$ 21,960,123</u>

**Long-Term Debt**

As of September 30, 2024 and December 31, 2023, the composition of Advocate Health's debt was as follows:

	<b>September 30, 2024</b>		<b>December 31, 2023</b>	
Taxable fixed bonds	\$ 2,392,690	32%	\$ 2,392,690	32%
Tax-exempt fixed rate bonds	1,317,880	17%	1,381,345	18%
Tax-exempt variable rate bonds	1,757,475	23%	1,824,945	24%
Put bonds	955,975	13%	914,645	12%
Commercial paper	520,000	7%	350,000	5%
Finance leases / other banks debt	571,649	8%	710,179	9%
<b>Total Long-term debt</b> , excluding unamortized bond premiums and bond issuance costs and commercial paper original issue discount	<u>\$ 7,515,669</u>	<u>100%</u>	<u>\$ 7,573,804</u>	<u>100%</u>



## ADVOCATE AURORA HEALTH, INC.

### Introduction

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#### **Advocate Aurora Health Credit Group**

AAH and certain other AAH System Entities are members of the “Obligated Group” (the “AAH Obligated Group”) created under a Second Amended and Restated Trust Indenture dated as of August 1, 2018 (the “AAH Master Indenture”) among the Obligated Group Members identified therein and U.S. Bank Trust Company, National Association, Master Trustee. The members of the AAH Obligated Group are jointly and severally liable on any “Obligations” issued under the AAH Master Indenture. Certain of the AAH Obligated Group’s affiliates are designated as “Restricted Affiliates” under the AAH Master Indenture.

***Neither the Advocate JOC nor any of the AHI Enterprise Entities is a member of the AAH Obligated Group or a Restricted Affiliate as of the date of this report and, therefore, none of them have any obligation to provide for the payment of any Obligation issued under the AAH Master Indenture.***

#### **Basis of Presentation**

The accompanying consolidated financial statements for AAH as of and for the three and nine months ended September 30, 2024 and 2023, have been prepared in accordance with U.S. generally accepted accounting principles, as promulgated by FASB.

**ADVOCATE AURORA HEALTH, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(in thousands)

	<u>Unaudited</u>	<u>Audited</u>
	<u>September 30, 2024</u>	<u>December 31, 2023</u>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 859,541	\$ 857,599
Assets limited as to use	172,916	179,288
Patient accounts receivable	1,948,105	1,906,747
Other current assets	1,483,676	1,093,683
Total current assets	<u>4,464,238</u>	<u>4,037,317</u>
Assets limited as to use	20,980,335	11,863,519
Property and equipment, net	5,998,983	5,919,233
Other assets		
Operating lease right-of-use assets	291,481	305,114
Other noncurrent assets	656,125	872,637
Total other assets	<u>947,606</u>	<u>1,177,751</u>
<b>Total assets</b>	<u><u>\$ 32,391,162</u></u>	<u><u>\$ 22,997,820</u></u>

**ADVOCATE AURORA HEALTH, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(in thousands)

	<u>Unaudited</u>	<u>Audited</u>
	<u>September 30, 2024</u>	<u>December 31, 2023</u>
<b>Liabilities</b>		
Current liabilities		
Long-term debt and commercial paper, current portion	\$ 166,378	\$ 172,759
Long-term debt subject to short-term financing arrangements	176,605	354,720
Operating lease liabilities, current portion	67,779	69,062
Accrued salaries and employee benefits	1,148,588	1,245,445
Accounts payable and other accrued liabilities	1,684,259	1,164,041
Third-party payors payables	444,372	404,496
Accrued insurance and claims costs, current portion	237,839	237,771
Total current liabilities	<u>3,925,820</u>	<u>3,648,294</u>
Noncurrent liabilities		
Long-term debt, less current portion	3,084,421	2,939,221
Operating lease liabilities, less current portion	261,906	273,134
Accrued insurance and claims cost, less current portion	722,325	686,643
Obligations under swap agreements	33,377	31,681
Due to related party	7,711,999	—
Other noncurrent liabilities	1,174,802	1,159,793
Total noncurrent liabilities	<u>12,988,830</u>	<u>5,090,472</u>
<b>Total liabilities</b>	<b>16,914,650</b>	<b>8,738,766</b>
<b>Net assets</b>		
Without donor restrictions		
Controlling interest	15,027,173	13,823,021
Noncontrolling interests in subsidiaries	196,446	191,582
Total net assets without donor restrictions	<u>15,223,619</u>	<u>14,014,603</u>
With donor restrictions	252,893	244,451
<b>Total net assets</b>	<b>15,476,512</b>	<b>14,259,054</b>
<b>Total liabilities and net assets</b>	<b>\$ <u>32,391,162</u></b>	<b>\$ <u>22,997,820</u></b>

**ADVOCATE AURORA HEALTH, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS**  
(in thousands)

	Unaudited		Unaudited	
	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
<b>Revenue</b>				
Patient service revenue	\$ 3,542,807	\$ 3,190,652	\$ 10,415,526	\$ 9,578,782
Capitation revenue	296,250	302,580	893,359	915,363
Other revenue	401,169	383,886	1,181,577	1,167,648
Total revenue	4,240,226	3,877,118	12,490,462	11,661,793
<b>Expenses</b>				
Salaries, wages and benefits	2,395,609	2,249,304	7,094,329	6,707,037
Supplies and drugs	866,270	739,859	2,510,667	2,235,170
Purchased services and other expenses	597,640	534,290	1,673,112	1,585,961
Contracted medical services	138,036	151,394	379,084	426,882
Depreciation and amortization	137,842	153,903	417,758	461,067
Interest	30,374	31,816	91,517	94,991
Total expenses	4,165,771	3,860,566	12,166,467	11,511,108
<b>Operating income</b>	<b>74,455</b>	<b>16,552</b>	<b>323,995</b>	<b>150,685</b>
<b>Nonoperating income (loss)</b>				
Investment income (loss), net	809,914	(91,373)	1,372,948	309,300
Other nonoperating (loss) income, net	(320,691)	6,082	(450,798)	(15,504)
Total nonoperating income (loss), net	489,223	(85,291)	922,150	293,796
<b>Revenue in excess of (less than) expenses</b>	<b>563,678</b>	<b>(68,739)</b>	<b>1,246,145</b>	<b>444,481</b>
Less income attributable to noncontrolling interests	(16,495)	(14,941)	(50,850)	(44,036)
<b>Revenue in excess of (less than) expenses - attributable to controlling interest</b>	<b>\$ 547,183</b>	<b>\$ (83,680)</b>	<b>\$ 1,195,295</b>	<b>\$ 400,445</b>

(Continued)

**ADVOCATE AURORA HEALTH, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS**  
(in thousands)

	Unaudited		Unaudited	
	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
<b>Net assets without donor restrictions, controlling interest</b>				
Revenue in excess of (less than) expenses - attributable to controlling interest	\$ 547,183	\$ (83,680)	\$ 1,195,295	\$ 400,445
Pension-related changes other than net periodic pension costs	2,179	697	6,501	2,098
Net assets released from restrictions for purchase of property and equipment	1,027	2,423	4,399	7,058
Other, net	(864)	(1,791)	(2,043)	(3,806)
Increase (decrease) in net assets without donor restrictions, controlling interest	549,525	(82,351)	1,204,152	405,795
<b>Net assets without donor restrictions, noncontrolling interests</b>				
Revenues in excess of expenses	16,495	14,941	50,850	44,036
Distributions to noncontrolling interests	(10,977)	(9,101)	(45,986)	(30,353)
Increase in net assets without donor restrictions, noncontrolling interests	5,518	5,840	4,864	13,683
<b>Net assets with donor restrictions</b>				
Contributions	5,643	4,413	11,431	10,331
Investment income (loss), net	4,673	(834)	9,413	3,552
Net assets released from restrictions for operations	(2,668)	(2,934)	(8,183)	(8,278)
Net assets released from restrictions for purchase of property and equipment	(1,027)	(2,423)	(4,399)	(7,058)
Other, net	54	37	180	102
Increase (decrease) in net assets with donor restrictions	6,675	(1,741)	8,442	(1,351)
<b>Increase (decrease) in net assets</b>	<b>561,718</b>	<b>(78,252)</b>	<b>1,217,458</b>	<b>418,127</b>
Net assets at beginning of period	14,914,794	13,943,926	14,259,054	13,447,547
<b>Net assets at end of period</b>	<b>\$ 15,476,512</b>	<b>\$ 13,865,674</b>	<b>\$ 15,476,512</b>	<b>\$ 13,865,674</b>

(Concluded)

**ADVOCATE AURORA HEALTH, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)

	Unaudited		Unaudited	
	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
<b>Cash flows from operating activities</b>				
Increase (decrease) in net assets	\$ 561,718	\$ (78,252)	\$ 1,217,458	\$ 418,127
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Depreciation, amortization and accretion	135,063	151,388	409,431	453,366
Amortization of operating lease right-of-use assets	16,088	16,678	50,390	52,468
Gain on sale of disposal group	—	—	(84,511)	—
Change in fair value of swap agreements	11,780	(12,545)	1,696	(12,836)
Pension-related changes other than net periodic pension cost	(2,179)	(697)	(6,501)	(2,098)
Net assets released from restrictions for operations	(2,668)	(2,934)	(8,183)	(8,278)
Distribution to noncontrolling interests	10,977	9,101	53,310	36,488
Distributions from unconsolidated entities	14,412	1,323	20,529	9,379
Changes in operating assets and liabilities				
Trading securities, net	(981,127)	101,890	(9,129,636)	19,440
Patient accounts receivable	113,778	(91,249)	(41,358)	(82,077)
Third-party payors receivable and payable, net	17,668	3,303	108,211	50,375
Other assets and liabilities, net	475,401	(20,790)	7,803,839	(318,930)
Net cash provided by operating activities	<u>370,911</u>	<u>77,216</u>	<u>394,675</u>	<u>615,424</u>
<b>Cash flows from investing activities</b>				
Capital expenditures	(180,909)	(118,796)	(503,698)	(363,072)
Cash received from sale of disposal group	—	—	177,995	—
Investments in unconsolidated entities, net	(360)	(392)	(3,754)	(18,113)
Other	694	(233)	210	(187)
Net cash used in investing activities	<u>(180,575)</u>	<u>(119,421)</u>	<u>(329,247)</u>	<u>(381,372)</u>
<b>Cash flows from financing activities</b>				
Repayments of long-term debt, net	(82,390)	(11,493)	(101,026)	(28,475)
Proceeds from issuance of long-term debt	70,006	—	70,006	—
Distribution to noncontrolling interests	(10,977)	(9,101)	(53,310)	(36,488)
Proceeds from restricted contributions and income on investments	10,316	3,579	20,844	13,883
Net cash used in financing activities	<u>(13,045)</u>	<u>(17,015)</u>	<u>(63,486)</u>	<u>(51,080)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>177,291</b>	<b>(59,220)</b>	<b>1,942</b>	<b>182,972</b>
Cash and cash equivalents at beginning of period	682,250	615,090	857,599	372,898
<b>Cash and cash equivalents at end of period</b>	<b><u>\$ 859,541</u></b>	<b><u>\$ 555,870</u></b>	<b><u>\$ 859,541</u></b>	<b><u>\$ 555,870</u></b>
Supplemental disclosures of noncash information				
Operating lease right-of-use assets in exchange for new operating lease liabilities	\$ 15,907	\$ 30,951	\$ 36,758	\$ 52,821



**ADVOCATE AURORA HEALTH, INC.**  
**UTILIZATION STATISTICS AND SOURCES OF REVENUE**

**Utilization Statistics**

A summary of certain combined utilization statistics for the AAH System for the three and nine months ended September 30, 2024 and 2023 are set forth in the table below.

	<b>Three Months Ended September 30, 2024</b>	<b>Three Months Ended September 30, 2023</b>	<b>Change</b>	<b>% Change</b>
<b>Historical Utilization Statistics</b>				
Discharges	67,333	62,311	5,022	8.1 %
Observation Cases	20,444	25,573	(5,129)	(20.1)%
Patient Days	336,456	319,167	17,289	5.4 %
Hospital Outpatient Visits	1,206,609	1,139,786	66,823	5.9 %
Physician Visits	2,773,743	2,605,329	168,414	6.5 %
Home Care Visits	224,364	202,397	21,967	10.9 %
Capitated Member Lives <sup>(1)</sup>	215,855	223,910	(8,055)	(3.6)%

	<b>Nine Months Ended September 30, 2024</b>	<b>Nine Months Ended September 30, 2023</b>	<b>Change</b>	<b>% Change</b>
<b>Historical Utilization Statistics</b>				
Discharges	199,336	181,753	17,583	9.7 %
Observation Cases	62,750	78,730	(15,980)	(20.3)%
Patient Days	1,011,303	947,728	63,575	6.7 %
Hospital Outpatient Visits	3,578,670	3,412,396	166,274	4.9 %
Physician Visits	8,328,921	7,838,612	490,309	6.3 %
Home Care Visits	657,282	635,287	21,995	3.5 %

<sup>(1)</sup> As of the date set forth in the column header

**Sources of Patient Service Revenue**

In the three and nine months ended September 30, 2024 and 2023, the composition of the AAH System's patient service revenue by payor was as follows:

	<b>Three Months Ended September 30, 2024</b>	<b>Three Months Ended September 30, 2023</b>	<b>Nine Months Ended September 30, 2024</b>	<b>Nine Months Ended September 30, 2023</b>
<b>Payor Mix</b>				
Managed Care	52 %	53 %	53 %	52 %
Medicare	32 %	31 %	32 %	32 %
Medicaid	13 %	14 %	13 %	13 %
Self-pay and Other	3 %	2 %	2 %	3 %
	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>



## THE CHARLOTTE-MECKLENBURG HOSPITAL AUTHORITY COMBINED GROUP Introduction

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### **Atrium Health CMHA Combined Group**

CMHA issues revenue bonds (“CMHA Bonds”) under a Second Amended and Restated Bond Order adopted in 1997 (as amended, the “CMHA Bond Order”). CMHA and certain of its affiliates have formed an “Obligated Group” (the “CMHA Obligated Group”) under the CMHA Bond Order. Members of the CMHA Obligated Group are jointly and severally liable for payment of CMHA Bonds and other obligations secured by the CMHA Bond Order (“Parity Obligations”). The CMHA Bond Order also authorizes the creation of a “Combined Group” (the “CMHA Combined Group”), which consists of the members of the CMHA Obligated Group and any affiliates designated by CMHA (“Designated Affiliates”).

***None of the Advocate Health JOC, the AAH System Entities, or any entities that are part of Wake Forest Baptist, Atrium Health Navicent or Atrium Health Floyd are members of the CMHA Combined Group as of the date of this report and, therefore, none of them have any obligation to provide for the payment of the CMHA Bonds or Parity Obligations.***

### **Basis of Presentation**

The accompanying consolidated financial statements and highlights reflect the financial position and results of operations of the CMHA Combined Group as of and for the nine months ended September 30, 2024 and 2023. These financial statements have been prepared in accordance with U.S. generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (“GASB”).

## THE CHARLOTTE-MECKLENBURG HOSPITAL AUTHORITY COMBINED GROUP

### Financial Highlights

(in thousands)

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#### **Nine Months Ended September 30, 2024 Compared with Nine Months Ended September 30, 2023:**

For the nine months ended September 30, 2024, net income was \$1,138,402, a \$917,456 increase from 2023, driven primarily by income from operations, favorable investment performance, and \$200,000 of FEMA funds included in other non-operating income net. Operating income was \$396,046 for the nine months ended September 30, 2024, which was \$302,394 above the prior year.

Total operating revenue increased 18.5% to \$7,515,567 largely due to greater hospital and medical group patient volumes and growth in retail pharmacy sales. Total operating expenses increased 13.9% to \$7,119,520, primarily due to personnel, supplies and drugs costs related to higher patient volumes along with other expense inflation.

As of September 30, 2024, days cash on hand was 304 days. Debt-to-capitalization ratio decreased from 26.5% at June 30, 2024, to 25.8% at September 30, 2024, primarily driven by net income during the current year.

**THE CMHA COMBINED GROUP**  
**COMBINED BALANCE SHEETS**  
(in thousands)

	Unaudited September 30, 2024	Audited December 31, 2023
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 714,863	\$ 661,959
Short term investments	36,682	27,233
Assets limited as to use	8,340	50,267
Patient accounts receivable	1,145,912	1,118,037
Other current assets	535,993	502,285
Total current assets	2,441,790	2,359,781
Other assets		
Assets limited as to use	6,827,729	6,258,033
Property and equipment, net	4,793,780	4,482,299
Operating lease right-of-use assets, net	479,609	496,898
Other noncurrent assets	570,620	445,622
Total other assets	12,671,738	11,682,852
Total assets	15,113,528	14,042,633
Deferred outflows of resources	201,283	208,945
<b>Total assets and deferred outflows of resources</b>	<b>\$ 15,314,811</b>	<b>\$ 14,251,578</b>
<b>Liabilities</b>		
Current liabilities		
Long-term debt, current portion	\$ 649,267	\$ 649,786
Operating lease liabilities, current portion	73,183	73,395
Accrued salaries and employee benefits	513,998	594,294
Accounts payable and other accrued liabilities	763,487	822,889
Estimated third party payer settlements	319,391	288,663
Total current liabilities	2,319,326	2,429,027
Noncurrent liabilities		
Long-term debt, less current portion	2,330,696	2,279,905
Operating lease liabilities, less current portion	456,469	467,135
Obligations under swap agreements	92,324	87,373
Other noncurrent liabilities	885,513	893,551
Total noncurrent liabilities	3,765,002	3,727,964
<b>Total liabilities</b>	<b>6,084,328</b>	<b>6,156,991</b>
Deferred inflows of resources	144,090	159,498
<b>Net position</b>		
Net investment in capital assets	1,694,233	1,539,926
Restricted, by donor	536,309	485,495
Unrestricted	6,855,851	5,909,668
<b>Total net position</b>	<b>9,086,393</b>	<b>7,935,089</b>
<b>Total liabilities and deferred inflows and net position</b>	<b>\$ 15,314,811</b>	<b>\$ 14,251,578</b>

**THE CMHA COMBINED GROUP**  
**COMBINED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
(in thousands)

	Unaudited	
	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
<b>Revenue</b>		
Patient service revenue	\$ 6,588,631	\$ 5,695,456
Other revenue	926,936	649,190
Total revenue	<u>7,515,567</u>	<u>6,344,646</u>
<b>Expenses</b>		
Salaries, wages, and benefits	3,966,962	3,657,510
Supplies and drugs	1,681,531	1,340,352
Purchased services and other expenses	1,081,413	922,785
Depreciation and amortization	389,615	330,347
Total operating expenses	<u>7,119,521</u>	<u>6,250,994</u>
<b>Operating income</b>	<b>396,046</b>	<b>93,652</b>
<b>Nonoperating income</b>		
Interest expense	(97,442)	(98,028)
Investment income, net	642,739	273,049
Other nonoperating income (loss), net	197,058	(47,728)
Total nonoperating income, net	<u>742,355</u>	<u>127,293</u>
<b>Excess of revenues and support over expenses and losses before contributions</b>	<b>\$ 1,138,401</b>	<b>\$ 220,945</b>
<b>Changes in net position</b>		
Capital and other contributions	12,903	(7,615)
<b>Changes in net position</b>	<b>1,151,304</b>	<b>213,330</b>
Net position, beginning of year	7,935,089	6,907,673
<b>Net position, end of year</b>	<b><u>\$ 9,086,393</u></b>	<b><u>\$ 7,121,003</u></b>

**THE CMHA COMBINED GROUP**  
**COMBINED STATEMENTS OF CASH FLOWS**

(in thousands)

	Unaudited	
	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
<b>Cash flows from operating activities</b>		
Receipts from third-party payers and patients	\$ 6,591,484	\$ 5,638,676
Payments to suppliers	(2,839,253)	(2,273,645)
Payments to employees	(4,036,825)	(3,753,217)
Other receipts, net	931,694	560,866
Net cash provided by operating activities	<u>647,100</u>	<u>172,680</u>
<b>Cash flows from financing activities</b>		
Cash flows from noncapital financing activities		
Proceeds from the issuance of commercial paper	350,000	—
Retirements of commercial paper	(250,000)	—
Commitment to academic endowment fund	—	(47,000)
Other activities	185,483	(17,442)
Net cash provided by (used in) noncapital financing activities	<u>285,483</u>	<u>(64,442)</u>
<b>Cash flows from capital and related financing activities</b>		
Capital expenditures	(724,478)	(481,198)
Interest payments on short- and long-term debt	(109,257)	(104,789)
Repayments of long-term debt, net	(44,820)	(212,367)
Proceeds from issuance of long-term debt	—	174,195
Contributions restricted for building and equipment purchases	(2,184)	(10,451)
Other contributions	13,627	3,383
Net cash used in capital and related financing activities	<u>(867,112)</u>	<u>(631,227)</u>
<b>Cash flows from investing activities</b>		
Investment earnings	14,700	10,676
Withdrawals from assets limited as to use	6,604,090	456,744
Contributions to assets limited as to use	(6,535,191)	(84,898)
Acquisition of business	(121,902)	—
Purchase of equity method investments	(4,720)	(27,657)
Net cash (used in) provided by investing activities	<u>(43,023)</u>	<u>354,865</u>
<b>Net increase (decrease) in cash, cash equivalents and restricted cash</b>	<b>22,448</b>	<b>(168,124)</b>
<b>Cash and cash equivalents</b>		
Beginning of year	693,166	486,680
<b>End of period</b>	<b>\$ 715,614</b>	<b>\$ 318,556</b>
<b>Reconciliation of cash and cash equivalents to the balance sheet</b>		
Cash and cash equivalents	714,863	287,378
Restricted cash in investments and assets whose use is limited	751	31,178
<b>Total cash, cash equivalents and restricted cash</b>	<b>\$ 715,614</b>	<b>\$ 318,556</b>
<b>Reconciliation of operating income to net cash used in operating activities</b>		
Operating income	\$ 396,046	\$ 93,652
Adjustments to reconcile operating income to net cash used in operating activities		
Depreciation and amortization	389,615	330,347
Increase in patient accounts receivable, net	(27,875)	(60,771)
Decrease (increase) in other current assets	4,801	(87,218)
Decrease (increase) in other noncurrent assets	10,008	(75,318)
Decrease in accounts payable and other accrued liabilities	(121,858)	(20,377)
Decrease in other noncurrent liabilities	(34,365)	(11,626)
Increase in estimated third party payer settlements	30,728	3,991
Net cash provided by operating activities	<u>\$ 647,100</u>	<u>\$ 172,680</u>

**THE CMHA COMBINED GROUP  
UTILIZATION STATISTICS**

	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023	Change	% Change
<b>Medical Group</b>				
Practice locations	565	542	23	4.2 %
Total Physicians	1,942	1,873	69	3.7 %
Patient visits (including faculty) <sup>(1)</sup>	5,057,337	4,754,312	303,025	6.4 %
<b>Total Acute Care Facilities</b>				
Adjusted patient days (excluding newborn)	1,582,366	1,453,843	128,523	8.8 %
Adjusted discharges (excluding newborn)	181,408	254,290	(72,882)	(28.7)%
Surgical Procedures	80,474	76,793	3,681	4.8 %

<sup>(1)</sup> Prior year visits updated to reflect the current year measurement methodology.



## ATRIUM HEALTH WAKE FOREST BAPTIST

### Introduction

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#### **Atrium Health Wake Forest Baptist Combined Group**

Atrium Health Wake Forest Baptist is an integrated clinical, research and academic enterprise operated by Wake Forest University Baptist Medical Center, a North Carolina nonprofit corporation (“WFUBMC”), which is a joint operating company that was established by Wake Forest University, a North Carolina nonprofit corporation (“WFU”), and North Carolina Baptist Hospital, a North Carolina nonprofit corporation (“NCBH”). Wake Forest University Health Sciences (“WFUHS”) is a wholly-owned affiliate of WFU that owns all of the assets of and operates Wake Forest University School of Medicine and is part of Atrium Health Wake Forest Baptist.

WFUBMC, NCBH and WFUHS are the members of the “Obligated Group” (the “WFB Obligated Group”) created under a Master Trust Indenture, dated as of March 1, 2010 (as supplemented and amended, the “WFB Master Indenture”), between NCBH and The Bank of New York Mellon Trust Company, N.A., as master trustee. The members of the WFB Obligated Group are jointly and severally liable on any “Obligations” issued under the WFB Master Indenture. The WFB Master Indenture authorizes the creation of a “Combined Group” (the “WFB Combined Group”), which consists of the members of the WFB Obligated Group and all “Designated Members.” Wake Forest University is not a member of the WFB Obligated Group or a part of Wake Forest Baptist and is not directly or indirectly obligated to pay amounts due with respect to Obligations issued under the WFB Master Indenture.

***None of the Advocate Health JOC, the AAH System Entities or CMHA or any of its affiliates are members of the WFB Combined Group as of the date of this report and, therefore, none of them have any obligation to provide for the payment of any Obligation issued under the WFB Master Indenture.***

#### **Basis of Presentation**

The accompanying combined financial statements reflect the financial position and results of operations of Atrium Health Wake Forest Baptist as of and for the nine months ended September 30, 2024 and 2023. These financial statements have been prepared in accordance with U.S. generally accepted accounting principles, as promulgated by FASB.



**ATRIUM HEALTH WAKE FOREST BAPTIST**  
**COMBINED BALANCE SHEETS**  
(in thousands)

	<u>Unaudited</u>	<u>Audited</u>
	<u>September 30, 2024</u>	<u>December 31, 2023</u>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 386,781	\$ 443,244
Patient accounts receivable	513,068	480,560
Other current assets	322,345	314,603
Total current assets	<u>1,222,194</u>	<u>1,238,407</u>
Other assets		
Assets limited as to use	2,305,637	2,112,309
Property and equipment, net	1,462,976	1,318,795
Operating lease right-of-use assets	164,007	171,857
Other noncurrent assets	181,491	206,757
Total other assets	<u>4,114,111</u>	<u>3,809,718</u>
<b>Total assets</b>	<b><u>\$ 5,336,305</u></b>	<b><u>\$ 5,048,125</u></b>
<b>Liabilities</b>		
Current liabilities		
Long-term debt, current portion	\$ 53,447	\$ 53,201
Operating lease liabilities, current portion	43,016	41,506
Accrued salaries and employee benefits	430,676	444,133
Accounts payable and other accrued liabilities	388,173	337,554
Third-party payors payables	116,585	105,590
Total current liabilities	<u>1,031,897</u>	<u>981,984</u>
Noncurrent liabilities		
Long-term debt, less current portion	791,969	815,626
Operating lease liabilities, less current portion	127,989	137,401
Obligations under swap agreements	1,051	1,058
Other noncurrent liabilities	201,789	231,575
Total noncurrent liabilities	<u>1,122,798</u>	<u>1,185,660</u>
<b>Total liabilities</b>	<b>2,154,695</b>	<b>2,167,644</b>
<b>Net assets</b>		
Without donor restrictions		
Controlling interest	2,666,081	2,403,236
Noncontrolling interests in subsidiaries	11,011	10,742
Total net assets without donor restrictions	<u>2,677,092</u>	<u>2,413,978</u>
With donor restrictions	504,518	466,503
Total net assets	<u>3,181,610</u>	<u>2,880,481</u>
<b>Total liabilities and net assets</b>	<b><u>\$ 5,336,305</u></b>	<b><u>\$ 5,048,125</u></b>

**ATRIUM HEALTH WAKE FOREST BAPTIST**  
**COMBINED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS**  
(in thousands)

	Unaudited	
	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
<b>Revenue</b>		
Patient service revenue	\$ 3,123,835	\$ 2,757,222
Other revenue	880,813	755,480
Total revenue	<u>4,004,648</u>	<u>3,512,702</u>
<b>Expenses</b>		
Salaries, wages and benefits	2,158,277	2,133,202
Supplies and drugs	983,873	863,862
Purchased services and other expenses	612,681	430,868
Depreciation and amortization	118,775	117,031
Interest	23,447	25,145
Total expenses	<u>3,897,053</u>	<u>3,570,108</u>
<b>Operating income (loss)</b>	<b>107,595</b>	<b>(57,406)</b>
<b>Nonoperating income</b>		
Investment income, net	161,527	29,831
Other nonoperating loss, net	(5,592)	(24)
Total nonoperating income, net	<u>155,935</u>	<u>29,807</u>
<b>Revenue in excess of (less than) expenses</b>	<b>263,530</b>	<b>(27,599)</b>
Less income attributable to noncontrolling interests	(269)	(462)
<b>Revenue in excess of (less than) expenses - attributable to controlling interest</b>	<b>\$ 263,261</b>	<b>\$ (28,061)</b>

**ATRIUM HEALTH WAKE FOREST BAPTIST**  
**COMBINED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS**  
(in thousands)

	Unaudited	
	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
<b>Net assets without donor restrictions, controlling interest</b>		
Revenue in excess of (less than) expenses - attributable to controlling interest	\$ 263,261	\$ (28,061)
Pension-related changes other than net periodic pension costs	(416)	(568)
Increase (decrease) in net assets without donor restrictions, controlling interest	262,845	(28,629)
<b>Net assets without donor restrictions, noncontrolling interests</b>		
Revenues in excess of expenses - attributable to noncontrolling interests	269	462
Increase in net assets without donor restrictions, noncontrolling interests	269	462
<b>Net assets with donor restrictions</b>		
Contributions	87,618	66,746
Investment income, net	13,322	5,933
Net assets released from restrictions	(68,635)	(48,846)
Other, net	5,710	(271)
Increase in net assets with donor restrictions	38,015	23,562
<b>Increase (decrease) in net assets</b>	<b>301,129</b>	<b>(4,605)</b>
Net assets at beginning of period	2,880,481	2,574,394
<b>Net assets at end of period</b>	<b>\$ 3,181,610</b>	<b>\$ 2,569,789</b>

**ATRIUM HEALTH WAKE FOREST BAPTIST**  
**COMBINED STATEMENTS OF CASH FLOWS**  
(in thousands)

	Unaudited	
	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets	\$ 301,129	\$ (4,605)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	117,948	116,203
Amortization of operating lease right-of-use assets	31,027	30,804
Change in fair value of swap agreements	(7)	(581)
Pension-related changes other than net periodic pension cost	416	568
Proceeds from restricted contributions	(8,721)	(3,570)
Changes in operating assets and liabilities		
Trading securities, net	(173,108)	109,007
Patient accounts receivable	(32,508)	(43,160)
Third-party payors payables	10,995	4,226
Other assets and liabilities, net	(13,461)	(100,095)
Net cash provided by operating activities	<u>233,710</u>	<u>108,797</u>
<b>Cash flows from investing activities</b>		
Purchases of property and equipment	(256,097)	(129,235)
Proceeds from sale of property and equipment	7	—
Net cash used in investing activities	<u>(256,090)</u>	<u>(129,235)</u>
<b>Cash flows from financing activities</b>		
Repayments of long-term debt, net	(103,384)	(59,846)
Proceeds from issuance of long-term debt	80,800	—
Contributions restricted for long-term investment	8,721	3,570
Net cash used in financing activities	<u>(13,863)</u>	<u>(56,276)</u>
<b>Net decrease increase in cash, cash equivalents and restricted cash</b>	<b>(36,243)</b>	<b>(76,714)</b>
Cash, cash equivalents and restricted cash at beginning of period	470,174	323,502
<b>Cash, cash equivalents and restricted cash at end of period</b>	<b><u>\$ 433,931</u></b>	<b><u>\$ 246,788</u></b>
<b>Reconciliation of cash, cash equivalents and restricted cash to the balance sheet</b>		
Cash and cash equivalents	386,781	223,037
Restricted cash in assets limited as to use	47,150	23,751
<b>Total cash, cash equivalents and restricted cash</b>	<b><u>\$ 433,931</u></b>	<b><u>\$ 246,788</u></b>

**ATRIUM HEALTH WAKE FOREST BAPTIST**  
**COMBINING BALANCE SHEET INFORMATION**  
(in thousands)

	September 30, 2024			
	Atrium Health Wake Forest Baptist	Non-Designated Entities	Eliminations	Atrium Health Wake Forest Baptist Combined Group
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 386,781	\$ (29,873)	\$ —	\$ 356,908
Patient accounts receivable	513,068	(22,051)	—	491,017
Other current assets	322,345	174,623	(218,659)	278,309
<b>Total current assets</b>	<b>1,222,194</b>	<b>122,699</b>	<b>(218,659)</b>	<b>1,126,234</b>
<b>Other assets</b>				
Assets limited as to use	2,305,637	(141,150)	—	2,164,487
Property and equipment, net	1,462,976	(103,461)	—	1,359,515
Operating lease right-of-use assets	164,007	(50,413)	—	113,594
Other noncurrent assets	181,491	(88,616)	(59,122)	33,753
<b>Total other assets</b>	<b>4,114,111</b>	<b>(383,640)</b>	<b>(59,122)</b>	<b>3,671,349</b>
<b>Total assets</b>	<b>\$ 5,336,305</b>	<b>\$ (260,941)</b>	<b>\$ (277,781)</b>	<b>\$ 4,797,583</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Long-term debt, current portion	\$ 53,447	\$ (993)	\$ —	\$ 52,454
Operating lease liabilities, current portion	43,016	(11,838)	—	31,178
Accrued salaries and employee benefits	430,676	(13,015)	—	417,661
Accounts payable and other accrued liabilities	388,173	(15,089)	(218,659)	154,425
Third-party payors payables	116,585	(32,916)	—	83,669
<b>Total current liabilities</b>	<b>1,031,897</b>	<b>(73,851)</b>	<b>(218,659)</b>	<b>739,387</b>
<b>Noncurrent liabilities</b>				
Long-term debt, less current portion	791,969	(21,584)	—	770,385
Operating lease liabilities, less current portion	127,989	(40,607)	—	87,382
Obligations under swap agreements	1,051	—	—	1,051
Other noncurrent liabilities	201,789	(1,634)	—	200,155
<b>Total noncurrent liabilities</b>	<b>1,122,798</b>	<b>(63,825)</b>	<b>—</b>	<b>1,058,973</b>
<b>Total liabilities</b>	<b>2,154,695</b>	<b>(137,676)</b>	<b>(218,659)</b>	<b>1,798,360</b>
<b>Net assets</b>				
<b>Without donor restrictions</b>				
Controlling interest	2,666,081	(123,064)	(49,125)	2,493,892
Noncontrolling interests in subsidiaries	11,011	—	(9,997)	1,014
<b>Total net assets without donor restrictions</b>	<b>2,677,092</b>	<b>(123,064)</b>	<b>(59,122)</b>	<b>2,494,906</b>
<b>With donor restrictions</b>	<b>504,518</b>	<b>(201)</b>	<b>—</b>	<b>504,317</b>
<b>Total net assets</b>	<b>3,181,610</b>	<b>(123,265)</b>	<b>(59,122)</b>	<b>2,999,223</b>
<b>Total liabilities and net assets</b>	<b>\$ 5,336,305</b>	<b>\$ (260,941)</b>	<b>\$ (277,781)</b>	<b>\$ 4,797,583</b>

**ATRIUM HEALTH WAKE FOREST BAPTIST**  
**COMBINING STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS**  
(in thousands)

	Nine Months Ended September 30, 2024			
	Atrium Health Wake Forest Baptist	Non-Designated Entities	Eliminations	Atrium Health Wake Forest Baptist Combined Group
<b>Revenue</b>				
Patient service revenue	\$ 3,123,835	\$ (211,782)	\$ —	\$ 2,912,053
Other revenue	880,813	(45,443)	—	835,370
Total revenue	4,004,648	(257,225)	—	3,747,423
<b>Expenses</b>				
Salaries, wages and benefits	2,158,277	(158,466)	—	1,999,811
Supplies and drugs	983,873	(44,102)	—	939,771
Purchased services and other expenses	612,681	(68,863)	—	543,818
Depreciation and amortization	118,775	(13,155)	—	105,620
Interest	23,447	(690)	—	22,757
Total expenses	3,897,053	(285,276)	—	3,611,777
<b>Operating income</b>	<b>107,595</b>	<b>28,051</b>	<b>—</b>	<b>135,646</b>
<b>Nonoperating income (loss)</b>				
Investment income (loss), net	161,527	(13,984)	—	147,543
Other nonoperating (loss) income, net	(5,592)	821	(43,818)	(48,589)
Total nonoperating income (loss), net	155,935	(13,163)	(43,818)	98,954
<b>Revenue in excess of (less than) expenses</b>	<b>263,530</b>	<b>14,888</b>	<b>(43,818)</b>	<b>234,600</b>
Less income attributable to noncontrolling interests	(269)	—	120	(149)
<b>Revenue in excess of (less than) expenses - attributable to controlling interest</b>	<b>\$ 263,261</b>	<b>\$ 14,888</b>	<b>\$ (43,698)</b>	<b>\$ 234,451</b>

(Continued)

**ATRIUM HEALTH WAKE FOREST BAPTIST**  
**COMBINING STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS**  
(in thousands)

	Nine Months Ended September 30, 2024			
	Atrium Health Wake Forest Baptist	Non-Designated Entities	Eliminations	Atrium Health Wake Forest Baptist Combined Group
<b>Net assets without donor restrictions, controlling interest</b>				
Revenue in excess of (less than) expenses - attributable to controlling interest	\$ 263,261	\$ 14,888	\$ (43,698)	\$ 234,451
Pension-related changes other than net periodic pension costs	(416)	—	—	(416)
Increase (decrease) in net assets without donor restrictions, controlling interest	262,845	14,888	(43,698)	234,035
<b>Net assets without donor restrictions, noncontrolling interests</b>				
Revenues in excess of (less than) expenses - attributable to noncontrolling interests	269	—	(120)	149
Increase (decrease) in net assets without donor restrictions, noncontrolling interests	269	—	(120)	149
<b>Net assets with donor restrictions</b>				
Contributions	87,618	(334)	—	87,284
Investment income, net	13,322	—	—	13,322
Net assets released from restrictions	(68,635)	145	—	(68,490)
Other, net	5,710	—	—	5,710
Increase (decrease) in net assets with donor restrictions	38,015	(189)	—	37,826
<b>Increase (decrease) in net assets</b>	<b>301,129</b>	<b>14,699</b>	<b>(43,818)</b>	<b>272,010</b>
Net assets at beginning of period	2,880,481	(137,964)	(15,304)	2,727,213
<b>Net assets at end of period</b>	<b>\$ 3,181,610</b>	<b>\$ (123,265)</b>	<b>\$ (59,122)</b>	<b>\$ 2,999,223</b>

**ATRIUM HEALTH WAKE FOREST BAPTIST COMBINED GROUP  
UTILIZATION STATISTICS**

	<b>Nine Months Ended September 30, 2024</b>	<b>Nine Months Ended September 30, 2023</b>	<b>Change</b>	<b>% Change</b>
Case Mix Adjusted Equivalent Discharges	239,381	232,307	7,074	3.0 %
Patient Days	264,647	257,166	7,481	2.9 %
Inpatient Admissions	50,329	47,841	2,488	5.2 %
Average Length of Stay	5.26	5.38	(0.12)	(2.2)%
Average Length of Stay (Case Mix Adjusted)	2.82	2.77	0.05	1.8 %
Inpatient Operating Room Cases	14,458	14,271	187	1.3 %
Outpatient Operating Room Cases	32,953	33,226	(273)	(0.8)%
Total Operating Room Cases	47,411	47,497	(86)	(0.2)%
Emergency Department Visits	161,901	161,621	280	0.2 %
Case Mix Index (all payors using Medicare weights)	1.8621	1.9382	(0.0761)	(3.9)%
RVUs	8,021,476	7,539,389	482,087	6.4 %
Outpatient Visits	1,568,990	1,540,848	28,142	1.8 %