



Quarterly Disclosure Statements  
(Unaudited)  
For the Three Months Ended March 31, 2025  
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 CMHA 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 an integrate health care delivery and academic system 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. As part of the Advocate Health combined financial statements, the financial statements of Atrium Health CMHA are presented with FASB accounting principles. All significant intercompany transactions have been eliminated in the 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>March 31, 2025</u>       | <u>December 31, 2024</u>    |
|---|-----------------------------|-----------------------------|
| <b>Assets</b>                                     |                             |                             |
| Current assets                                    |                             |                             |
| Cash and cash equivalents                         | \$ 1,502,499                | \$ 2,026,581                |
| Short term investments                            | 50,681                      | 49,808                      |
| Assets limited as to use                          | 209,343                     | 185,331                     |
| Patient accounts receivable                       | 4,230,922                   | 3,974,174                   |
| Other current assets                              | 2,695,363                   | 1,894,762                   |
| Total current assets                              | <u>8,688,808</u>            | <u>8,130,656</u>            |
| Other assets                                      |                             |                             |
| Assets limited as to use                          | 23,930,308                  | 24,176,299                  |
| Property and equipment, net                       | 13,720,079                  | 13,541,714                  |
| Operating lease right-of-use assets               | 976,743                     | 1,013,775                   |
| Other noncurrent assets                           | 1,310,475                   | 1,275,911                   |
| Total other assets                                | <u>39,937,605</u>           | <u>40,007,699</u>           |
| <b>Total assets</b>                               | <b><u>\$ 48,626,413</u></b> | <b><u>\$ 48,138,355</u></b> |
| <b>Liabilities</b>                                |                             |                             |
| Current liabilities                               |                             |                             |
| Long-term debt, current portion                   | \$ 1,863,934                | \$ 1,238,272                |
| Operating lease liabilities, current portion      | 195,440                     | 196,933                     |
| Accrued salaries and employee benefits            | 1,760,625                   | 2,551,275                   |
| Accounts payable and other accrued liabilities    | 3,250,986                   | 2,903,762                   |
| Third-party payors payables                       | 730,028                     | 770,916                     |
| Total current liabilities                         | <u>7,801,013</u>            | <u>7,661,158</u>            |
| Noncurrent liabilities                            |                             |                             |
| Long-term debt, less current portion              | 6,150,340                   | 6,388,008                   |
| Operating lease liabilities, less current portion | 861,219                     | 897,771                     |
| Obligations under swap agreements                 | 89,113                      | 72,280                      |
| Other noncurrent liabilities                      | 3,371,978                   | 3,275,058                   |
| Total noncurrent liabilities                      | <u>10,472,650</u>           | <u>10,633,117</u>           |
| <b>Total liabilities</b>                          | <b><u>18,273,663</u></b>    | <b><u>18,294,275</u></b>    |
| <b>Net assets</b>                                 |                             |                             |
| Without donor restrictions                        |                             |                             |
| Controlling interest                              | 28,603,495                  | 28,101,899                  |
| Noncontrolling interests in subsidiaries          | 195,261                     | 212,737                     |
| Total net assets without donor restrictions       | <u>28,798,756</u>           | <u>28,314,636</u>           |
| With donor restrictions                           | 1,553,994                   | 1,529,444                   |
| Total net assets                                  | <u>30,352,750</u>           | <u>29,844,080</u>           |
| <b>Total liabilities and net assets</b>           | <b><u>\$ 48,626,413</u></b> | <b><u>\$ 48,138,355</u></b> |

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

|   | <b>Three Months Ended<br/>March 31, 2025</b> | <b>Three Months Ended<br/>March 31, 2024</b> |
|---|--|--|
| <b>Revenue</b>  |  |  |
| Patient service revenue   | \$ 7,777,353                                 | \$ 6,845,756                                 |
| Other revenue   | 1,390,233                                    | 1,280,208                                    |
| Total revenue   | <u>9,167,586</u>                             | <u>8,125,964</u>                             |
| <b>Expenses</b>   |  |  |
| Salaries, wages and benefits  | 5,072,038                                    | 4,715,213                                    |
| Supplies and drugs  | 2,032,170                                    | 1,716,633                                    |
| Purchased services and other expenses                                       | 1,375,311                                    | 1,221,091                                    |
| Depreciation and amortization   | 300,064                                      | 303,552                                      |
| Interest  | 58,908                                       | 65,758                                       |
| Total expenses  | <u>8,838,491</u>                             | <u>8,022,247</u>                             |
| <b>Operating income</b>   | <b>329,095</b>                               | <b>103,717</b>                               |
| <b>Nonoperating income</b>  |  |  |
| Investment income, net  | 212,503                                      | 614,330                                      |
| Other nonoperating loss, net  | (37,223)                                     | (17,284)                                     |
| Total nonoperating income, net  | <u>175,280</u>                               | <u>597,046</u>                               |
| <b>Revenue in excess of expenses</b>  | <b>504,375</b>                               | <b>700,763</b>                               |
| Less income attributable to noncontrolling interests                        | <u>(4,910)</u>                               | <u>(18,126)</u>                              |
| <b>Revenue in excess of expenses - attributable to controlling interest</b> | <b>\$ 499,465</b>                            | <b>\$ 682,637</b>                            |

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

|   | <b>Three Months Ended<br/>March 31, 2025</b> | <b>Three Months Ended<br/>March 31, 2024</b> |
|---|--|--|
| <b>Net assets without donor restrictions, controlling interest</b>          |  |  |
| Revenue in excess of expenses - attributable to controlling interest        | \$ 499,465                                   | \$ 682,637                                   |
| Pension-related changes other than net periodic pension costs               | 5,018  | 2,144  |
| Other, net  | (2,887)                                      | 6,142  |
| Increase in net assets without donor restrictions, controlling interest     | <u>501,596</u>                               | <u>690,923</u>                               |
| <b>Net assets without donor restrictions, noncontrolling interests</b>      |  |  |
| Revenues in excess of expenses  | 4,910  | 18,126                                       |
| Distributions to noncontrolling interests                                   | (22,386)                                     | (26,279)                                     |
| Decrease in net assets without donor restrictions, noncontrolling interests | <u>(17,476)</u>                              | <u>(8,153)</u>                               |
| <b>Net assets with donor restrictions</b>                                   |  |  |
| Contributions   | 55,118                                       | 32,340                                       |
| Investment income, net  | 665  | 7,708  |
| Net assets released from restrictions                                       | (33,141)                                     | (31,462)                                     |
| Other, net  | 1,908  | 2,896  |
| Increase in net assets with donor restrictions                              | <u>24,550</u>                                | <u>11,482</u>                                |
| <b>Increase in net assets</b>   | <b>508,670</b>                               | <b>694,252</b>                               |
| Net assets at beginning of period   | 29,844,080                                   | 26,493,177                                   |
| <b>Net assets at end of period</b>  | <b><u>\$ 30,352,750</u></b>                  | <b><u>\$ 27,187,429</u></b>                  |

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

|   | Three Months Ended<br>March 31, 2025 | Three Months Ended<br>March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| <b>Cash flows from operating activities</b>   |                                      |                                      |
| Increase in net assets  | \$ 508,670                           | \$ 694,252                           |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: |                                      |                                      |
| Depreciation, amortization and accretion  | 295,597                              | 298,791                              |
| Noncash lease expense   | 55,376                               | 52,015                               |
| Gain on sale of disposal group  | —                                    | (84,511)                             |
| Pension-related changes other than net periodic pension cost                                | (5,018)                              | (2,144)                              |
| Proceeds from restricted contributions and income on investments                            | (6,490)                              | (859)                                |
| Distribution to noncontrolling interests  | 12,171                               | 9,376                                |
| Other   | 9,168                                | (17,830)                             |
| Changes in operating assets and liabilities   |                                      |                                      |
| Trading securities, net   | 187,700                              | (705,895)                            |
| Patient accounts receivable   | (256,748)                            | (162,996)                            |
| Other assets and liabilities, net   | (1,178,793)                          | (821,544)                            |
| Net cash used in operating activities   | <u>(378,367)</u>                     | <u>(741,345)</u>                     |
| <b>Cash flows from investing activities</b>   |                                      |                                      |
| Capital expenditures  | (502,804)                            | (352,881)                            |
| Cash received from sale of disposal group   | —                                    | 177,995                              |
| Investments in unconsolidated entities, net   | (70,302)                             | (6,351)                              |
| Purchases of investments designated as non-trading  | (2,131)                              | (3,704)                              |
| Sales of investments designated as non-trading  | 2,161                                | 3,700                                |
| Other   | 5,352                                | (2,478)                              |
| Net cash used in investing activities   | <u>(567,724)</u>                     | <u>(183,719)</u>                     |
| <b>Cash flows from financing activities</b>   |                                      |                                      |
| Repayments of long-term debt, net   | (55,688)                             | (104,920)                            |
| Proceeds from issuance of long-term debt  | 450,000                              | —                                    |
| Distribution to noncontrolling interests  | (12,171)                             | (9,376)                              |
| Proceeds from restricted contributions and income on investments                            | 6,490                                | 859                                  |
| Net cash provided by (used in) financing activities   | <u>388,631</u>                       | <u>(113,437)</u>                     |
| <b>Net decrease in cash and cash equivalents</b>  | <b>(557,460)</b>                     | <b>(1,038,501)</b>                   |
| Cash and cash equivalents at beginning of period  | 2,081,874                            | 2,340,370                            |
| <b>Cash and cash equivalents at end of period</b>   | <b><u>\$ 1,524,414</u></b>           | <b><u>\$ 1,301,869</u></b>           |
| <b>Reconciliation of cash and cash equivalents to the balance sheet</b>                     |                                      |                                      |
| Cash and cash equivalents   | 1,502,499                            | 1,240,583                            |
| Restricted cash in investments and assets whose use is limited                              | 21,915                               | 61,286                               |
|   | <b><u>\$ 1,524,414</u></b>           | <b><u>\$ 1,301,869</u></b>           |
| Supplemental disclosures of noncash information   |                                      |                                      |
| Operating lease right-of-use assets in exchange for new operating lease liabilities         | \$ 14,293                            | \$ 41,780                            |

Certain reclassifications were made to the three months ended March 31, 2024 statement of cash flows amounts to conform to the classifications used in 2025. There was no impact on previously reported 2024 net assets or revenues in excess of expenses.

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

|   | Three Months<br>Ended March 31,<br>2025 | Three Months<br>Ended March 31,<br>2024 | Change    | % Change |
|---|---|---|-----------|----------|
| <b>Census</b>                           |   |   |           |          |
| Discharges <sup>(1)</sup>               | 143,894                                 | 135,962                                 | 7,932     | 5.8 %    |
| Observation Cases                       | 41,043                                  | 41,179                                  | (136)     | (0.3)%   |
| Total Bedded Patients                   | 184,937                                 | 177,141                                 | 7,796     | 4.4 %    |
| Inpatient Length of Stay <sup>(1)</sup> | 5.46                                    | 5.53                                    | (0.07)    | (1.3)%   |
| Case Mix index                          | 1.77                                    | 1.80                                    | (0.03)    | (1.7)%   |
| <b>Other Volume Stats</b>               |   |   |           |          |
| Inpatient Surgeries                     | 31,350                                  | 30,716                                  | 634       | 2.1 %    |
| Outpatient Surgeries                    | 79,073                                  | 78,857                                  | 216       | 0.3 %    |
| Total Surgeries                         | 110,423                                 | 109,573                                 | 850       | 0.8 %    |
| ED Visits                               | 600,874                                 | 572,191                                 | 28,683    | 5.0 %    |
| wRVUs <sup>(1)</sup>                    | 15,618,976                              | 14,033,361                              | 1,585,615 | 11.3 %   |

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

|   | Three Months<br>Ended March 31,<br>2025 | Three Months<br>Ended March 31,<br>2024 |
|---|---|---|
| <b>Operating Performance</b>              |   |   |
| Operating margin <sup>(1)</sup>           | 3.6%                                    | 1.3%                                    |
| Operating cash flow margin <sup>(2)</sup> | 7.5%                                    | 5.8%                                    |
| Excess margin <sup>(3)</sup>              | 5.4%                                    | 8.0%                                    |
|   | As of March 31,<br>2025                 | As of December<br>31, 2024              |
| <b>Leverage and Liquidity</b>             |   |   |
| Debt to capitalization <sup>(4)</sup>     | 21.8%                                   | 21.2%                                   |
| Cash to debt <sup>(5)</sup>               | 296%                                    | 321%                                    |
| Days cash on hand <sup>(6)</sup>          | 260                                     | 276                                     |

<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 three months ended March 31, 2025 and 2024, the composition of Advocate Health's patient service revenue by payor was as follows:

| <b>Payor Mix</b>   | <b>Three Months<br/>Ended March 31,<br/>2025</b> | <b>Three Months<br/>Ended March 31,<br/>2024</b> |
|--------------------|--|--|
| Managed care       | 51 %   | 51 %   |
| Medicare           | 31 %   | 33 %   |
| Medicaid           | 17 %   | 14 %   |
| Self-pay and other | 1 %  | 2 %  |
|                    | <u>100 %</u>                                     | <u>100 %</u>                                     |

**Unrestricted cash and investments**

As of March 31, 2025 and December 31, 2024, the composition of Advocate Health's unrestricted cash and investments was as follows:

|  | <b>As of March 31,<br/>2025</b> | <b>As of December<br/>31, 2024</b> |
|--|---------------------------------|------------------------------------|
| Cash and cash equivalents  | \$ 1,502,499                    | \$ 2,026,581                       |
| Short term investments, excluding restricted assets                  | 12,459                          | 11,840                             |
| Long-term investments, excluding restricted assets limited as to use | 22,174,051                      | 22,420,281                         |
| <b>Total unrestricted cash and investments</b>                       | <u>\$ 23,689,009</u>            | <u>\$ 24,458,702</u>               |

**Long-Term Debt**

As of March 31, 2025 and December 31, 2024, the composition of Advocate Health's debt was as follows:

|  | <b>March 31, 2025</b> |             | <b>December 31, 2024</b> |             |
|--|-----------------------|-------------|--------------------------|-------------|
| Taxable fixed bonds  | \$ 2,392,690          | 30%         | \$ 2,392,690             | 32%         |
| Tax-exempt fixed rate bonds  | 1,176,250             | 15%         | 1,208,120                | 16%         |
| Tax-exempt variable rate bonds   | 1,845,730             | 24%         | 1,857,475                | 25%         |
| Put bonds  | 938,610               | 12%         | 938,610                  | 13%         |
| Commercial paper   | 720,000               | 9%          | 270,000                  | 4%          |
| Finance leases / other banks debt  | 773,809               | 10%         | 781,448                  | 10%         |
| <b>Total Long-term debt</b> , excluding unamortized bond premiums and bond issuance costs and commercial paper original issue discount | <u>\$ 7,847,089</u>   | <u>100%</u> | <u>\$ 7,448,343</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 months ended March 31, 2025 and 2024, have been prepared in accordance with U.S. generally accepted accounting principles, as promulgated by FASB. December 31, 2024 information is derived from the audited financial statements.

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

|   | <u>March 31, 2025</u>       | <u>December 31, 2024</u>    |
|---|-----------------------------|-----------------------------|
| <b>Assets</b>                                     |                             |                             |
| Current assets                                    |                             |                             |
| Cash and cash equivalents                         | \$ 438,694                  | \$ 716,506                  |
| Assets limited as to use                          | 179,057                     | 179,057                     |
| Patient accounts receivable                       | 2,123,941                   | 2,009,794                   |
| Other current assets                              | 1,913,611                   | 1,085,336                   |
| Total current assets                              | <u>4,655,303</u>            | <u>3,990,693</u>            |
| Noncurrent assets                                 |                             |                             |
| Assets limited as to use                          | 22,247,296                  | 21,553,860                  |
| Property and equipment, net                       | 6,122,646                   | 6,079,747                   |
| Operating lease right-of-use assets               | 273,130                     | 280,150                     |
| Other noncurrent assets                           | 537,774                     | 562,080                     |
| Total other assets                                | <u>29,180,846</u>           | <u>28,475,837</u>           |
| <b>Total assets</b>                               | <b><u>\$ 33,836,149</u></b> | <b><u>\$ 32,466,530</u></b> |
| <b>Liabilities</b>                                |                             |                             |
| Current liabilities                               |                             |                             |
| Long-term debt, current portion                   | \$ 622,246                  | \$ 343,589                  |
| Operating lease liabilities, current portion      | 67,348                      | 67,961                      |
| Accrued salaries and employee benefits            | 969,060                     | 1,400,664                   |
| Accounts payable and other accrued liabilities    | 2,087,401                   | 1,536,611                   |
| Third-party payors payables                       | 414,518                     | 423,230                     |
| Total current liabilities                         | <u>4,160,573</u>            | <u>3,772,055</u>            |
| Noncurrent liabilities                            |                             |                             |
| Long-term debt, less current portion              | 2,974,684                   | 3,061,905                   |
| Operating lease liabilities, less current portion | 241,120                     | 249,594                     |
| Obligations under swap agreements                 | 24,368                      | 19,566                      |
| Due to related party - investment pool            | 8,725,672                   | 7,945,909                   |
| Other noncurrent liabilities                      | 1,958,049                   | 1,869,124                   |
| Total noncurrent liabilities                      | <u>13,923,893</u>           | <u>13,146,098</u>           |
| <b>Total liabilities</b>                          | <b>18,084,466</b>           | <b>16,918,153</b>           |
| <b>Net assets</b>                                 |                             |                             |
| Without donor restrictions                        |                             |                             |
| Controlling interest                              | 15,303,136                  | 15,088,922                  |
| Noncontrolling interests in subsidiaries          | 193,488                     | 203,353                     |
| Total net assets without donor restrictions       | <u>15,496,624</u>           | <u>15,292,275</u>           |
| With donor restrictions                           | 255,059                     | 256,102                     |
| <b>Total net assets</b>                           | <b><u>15,751,683</u></b>    | <b><u>15,548,377</u></b>    |
| <b>Total liabilities and net assets</b>           | <b><u>\$ 33,836,149</u></b> | <b><u>\$ 32,466,530</u></b> |

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

|   | <b>Three Months Ended<br/>March 31, 2025</b> | <b>Three Months Ended<br/>March 31, 2024</b> |
|---|--|--|
| <b>Revenue</b>  |  |  |
| Patient service revenue   | \$ 3,732,735                                 | \$ 3,395,376                                 |
| Other revenue   | 633,043                                      | 686,745                                      |
| Total revenue   | <u>4,365,778</u>                             | <u>4,082,121</u>                             |
| <b>Expenses</b>   |  |  |
| Salaries, wages and benefits  | 2,509,063                                    | 2,360,388                                    |
| Supplies and drugs  | 921,580                                      | 791,626                                      |
| Purchased services and other expenses                                       | 635,469                                      | 625,842                                      |
| Depreciation and amortization   | 139,846                                      | 140,472                                      |
| Interest  | 29,830                                       | 30,509                                       |
| Total expenses  | <u>4,235,788</u>                             | <u>3,948,837</u>                             |
| <b>Operating income</b>   | <b>129,990</b>                               | <b>133,284</b>                               |
| <b>Nonoperating income</b>  |  |  |
| Investment income, net  | 184,172                                      | 249,267                                      |
| Other nonoperating loss, net  | (67,932)                                     | (4,831)                                      |
| Total nonoperating income, net  | <u>116,240</u>                               | <u>244,436</u>                               |
| <b>Revenue in excess of expenses</b>  | <b>246,230</b>                               | <b>377,720</b>                               |
| Less income attributable to noncontrolling interests                        | <u>(12,521)</u>                              | <u>(17,945)</u>                              |
| <b>Revenue in excess of expenses - attributable to controlling interest</b> | <b>\$ 233,709</b>                            | <b>\$ 359,775</b>                            |

(Continued)

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

|  | <b>Three Months Ended<br/>March 31, 2025</b> | <b>Three Months Ended<br/>March 31, 2024</b> |
|--|--|--|
| <b>Net assets without donor restrictions, controlling interest</b>           |  |  |
| Revenue in excess of expenses - attributable to controlling interest         | \$ 233,709                                   | \$ 359,775                                   |
| Pension-related changes other than net periodic pension costs                | 5,018  | 2,144  |
| Net assets released from restrictions for purchase of property and equipment | 3,265  | 972  |
| Equity transfer to related party   | (27,310)                                     | —  |
| Other, net   | (468)  | (531)  |
| Increase in net assets without donor restrictions, controlling interest      | <u>214,214</u>                               | <u>362,360</u>                               |
| <b>Net assets without donor restrictions, noncontrolling interests</b>       |  |  |
| Revenues in excess of expenses   | 12,521                                       | 17,945                                       |
| Distributions to noncontrolling interests                                    | (22,386)                                     | (26,279)                                     |
| Decrease in net assets without donor restrictions, noncontrolling interests  | <u>(9,865)</u>                               | <u>(8,334)</u>                               |
| <b>Net assets with donor restrictions</b>                                    |  |  |
| Contributions  | 3,178  | 2,099  |
| Investment income, net   | 743  | 2,690  |
| Net assets released from restrictions for operations                         | (1,699)                                      | (2,450)                                      |
| Net assets released from restrictions for purchase of property and equipment | (3,265)                                      | (972)  |
| (Decrease) increase in net assets with donor restrictions                    | <u>(1,043)</u>                               | <u>1,367</u>                                 |
| <b>Increase in net assets</b>  | <b>203,306</b>                               | <b>355,393</b>                               |
| Net assets at beginning of period  | 15,548,377                                   | 14,259,054                                   |
| <b>Net assets at end of period</b>   | <b><u>\$ 15,751,683</u></b>                  | <b><u>\$ 14,614,447</u></b>                  |

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

|   | <b>Three Months Ended<br/>March 31, 2025</b> | <b>Three Months Ended<br/>March 31, 2024</b> |
|---|--|--|
| <b>Cash flows from operating activities</b>   |  |  |
| Increase in net assets  | \$ 203,306                                   | \$ 355,393                                   |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: |  |  |
| Depreciation, amortization and accretion  | 137,377                                      | 137,713                                      |
| Noncash lease expense   | 16,961                                       | 17,639                                       |
| Gain on sale of disposal group  | —  | (84,511)                                     |
| Pension-related changes other than net periodic pension cost                                | (5,018)                                      | (2,144)                                      |
| Equity transfer to related party  | 27,310                                       | —  |
| Distribution to noncontrolling interests  | 12,171                                       | 9,376  |
| Distribution from unconsolidated entities   | 5,450  | 4,288  |
| Other   | 3,668  | (7,122)                                      |
| Changes in operating assets and liabilities   |  |  |
| Trading securities, net   | (693,465)                                    | (361,754)                                    |
| Patient accounts receivable   | (114,147)                                    | (106,654)                                    |
| Third-party payors receivables and payables, net  | 24,529                                       | 98,565                                       |
| Due to related party  | 688,615                                      | (10,002)                                     |
| Other assets and liabilities, net   | (524,788)                                    | (511,575)                                    |
| Net cash used in operating activities   | <u>(218,031)</u>                             | <u>(460,788)</u>                             |
| <b>Cash flows from investing activities</b>   |  |  |
| Capital expenditures  | (217,650)                                    | (143,819)                                    |
| Cash received from sale of disposal group   | —  | 177,995                                      |
| Investments in unconsolidated entities, net   | (733)  | (3,034)                                      |
| Purchases of investments designated as non-trading  | (2,131)                                      | (3,704)                                      |
| Sales of investments designated as non-trading  | 2,161  | 3,700  |
| Other   | 3,348  | (651)  |
| Net cash (used in) provided by investing activities   | <u>(215,005)</u>                             | <u>30,487</u>                                |
| <b>Cash flows from financing activities</b>   |  |  |
| Repayments of long-term debt, net   | (6,098)                                      | (5,721)                                      |
| Proceeds from issuance of long-term debt  | 200,000                                      | —  |
| Equity transfer to related party  | (27,310)                                     | —  |
| Distribution to noncontrolling interests  | (12,171)                                     | (9,376)                                      |
| Proceeds from restricted contributions and income on investments                            | 803  | 85   |
| Net cash provided by (used in) financing activities   | <u>155,224</u>                               | <u>(15,012)</u>                              |
| <b>Net decrease in cash and cash equivalents</b>  | <b>(277,812)</b>                             | <b>(445,313)</b>                             |
| Cash and cash equivalents at beginning of period  | 716,506                                      | 857,599                                      |
| <b>Cash and cash equivalents at end of period</b>   | <b><u>\$ 438,694</u></b>                     | <b><u>\$ 412,286</u></b>                     |
| <b>Supplemental disclosures of noncash information</b>                                      |  |  |
| Operating lease right-of-use assets in exchange for new operating lease liabilities         | \$ 5,884                                     | \$ 7,240                                     |

Certain reclassifications were made to the three months ended March 31, 2024 statement of cash flows amounts to conform to the classifications used in 2025. There was no impact on previously reported 2024 net assets or revenues in excess of expenses.

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

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**Utilization Statistics**

A summary of certain combined utilization statistics for the AAH System for the three months ended March 31, 2025 and 2024 are set forth in the table below.

|  | <b>Three Months<br/>Ended March<br/>31, 2025</b> | <b>Three Months<br/>Ended March<br/>31, 2024</b> | <b>Change</b> | <b>% Change</b> |
|--|--|--|---------------|-----------------|
| <b>Historical Utilization Statistics</b> |  |  |               |                 |
| Discharges                               | 69,753   | 65,463   | 4,290         | 6.6 %           |
| Observation Cases                        | 19,839   | 21,431   | (1,592)       | (7.4)%          |
| Patient Days                             | 359,255  | 341,749  | 17,506        | 5.1 %           |
| Hospital Outpatient Visits               | 1,227,821  | 1,165,237  | 62,584        | 5.4 %           |
| Physician Visits                         | 2,905,619  | 2,773,623  | 131,996       | 4.8 %           |
| Home Care Visits                         | 238,062  | 209,485  | 28,577        | 13.6 %          |
| Capitated Member Lives <sup>(1)</sup>    | 178,315  | 215,408  | (37,093)      | (17.2)%         |

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

**Sources of Patient Service Revenue**

In the three months ended March 31, 2025 and 2024, the composition of the AAH System's patient service revenue by payor was as follows:

|                    | <b>Three Months<br/>Ended March<br/>31, 2025</b> | <b>Three Months<br/>Ended March<br/>31, 2024</b> |
|--------------------|--|--|
| <b>Payor Mix</b>   |  |  |
| Managed Care       | 53 %   | 53 %   |
| Medicare           | 32 %   | 32 %   |
| Medicaid           | 12 %   | 13 %   |
| Self-pay and Other | 3 %  | 2 %  |
|                    | <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 three months ended March 31, 2025 and 2024. These financial statements have been prepared in accordance with U.S. generally accepted accounting principles, as promulgated by the GASB. December 31, 2024 information is derived from the audited financial statements.

## THE CHARLOTTE-MECKLENBURG HOSPITAL AUTHORITY COMBINED GROUP

### Financial Highlights

(in thousands)

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#### **Quarter Ended March 31, 2025 Compared with Quarter Ended March 31, 2024:**

For the quarter ended March 31, 2025, the excess of revenues and support over expenses and losses was \$195,928, a \$8,305 decrease from 2024, driven by decreased investment income offset by an increase in operating income. Operating income was \$166,329 for the quarter ended March 31, 2025, which was \$161,145 above the prior year.

Total operating revenue increased 16.0% to \$2,707,877 largely due to greater hospital and medical group patient volumes and growth in retail pharmacy sales. Total operating expenses increased 9.1% to \$2,541,548, primarily due to personnel, supplies and drugs costs related to higher patient volumes along with other expense inflation.

As of March 31, 2025, days cash on hand was 264 days. Debt-to-capitalization ratio increased from 23.8% at December 31, 2024, to 24.7% at March 31, 2025, primarily driven by issuance of commercial paper during the first quarter of 2025.

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

|  | <u>March 31, 2025</u>       | <u>December 31, 2024</u>    |
|--|-----------------------------|-----------------------------|
| <b>Assets</b>  |                             |                             |
| Current assets   |                             |                             |
| Cash and cash equivalents                                      | \$ 304,928                  | \$ 394,089                  |
| Short term investments   | 38,221                      | 37,969                      |
| Assets limited as to use                                       | 12,702                      | 6,274                       |
| Patient accounts receivable                                    | 1,274,572                   | 1,184,604                   |
| Other current assets   | 602,105                     | 524,846                     |
| Total current assets   | <u>2,232,528</u>            | <u>2,147,782</u>            |
| Other assets   |                             |                             |
| Assets limited as to use                                       | 6,862,395                   | 7,012,371                   |
| Property and equipment, net                                    | 4,978,045                   | 4,877,707                   |
| Operating lease right-of-use assets, net                       | 462,022                     | 483,352                     |
| Other noncurrent assets  | 593,174                     | 587,658                     |
| Total other assets   | <u>12,895,636</u>           | <u>12,961,088</u>           |
| Total assets   | <u>15,128,164</u>           | <u>15,108,870</u>           |
| Deferred outflows of resources                                 | 217,131                     | 196,442                     |
| <b>Total assets and deferred outflows of resources</b>         | <b><u>\$ 15,345,295</u></b> | <b><u>\$ 15,305,312</u></b> |
| <b>Liabilities</b>   |                             |                             |
| Current liabilities  |                             |                             |
| Long-term debt, current portion                                | \$ 995,324                  | \$ 644,979                  |
| Operating lease liabilities, current portion                   | 74,373                      | 75,432                      |
| Accrued salaries and employee benefits                         | 447,891                     | 651,777                     |
| Accounts payable and other accrued liabilities                 | 656,900                     | 826,226                     |
| Third-party payors payables                                    | 231,387                     | 242,270                     |
| Total current liabilities                                      | <u>2,405,875</u>            | <u>2,440,684</u>            |
| Noncurrent liabilities   |                             |                             |
| Long-term debt, less current portion                           | 1,936,225                   | 2,083,807                   |
| Operating lease liabilities, less current portion              | 441,273                     | 459,346                     |
| Obligations under swap agreements                              | 63,975                      | 52,076                      |
| Other noncurrent liabilities                                   | 847,883                     | 794,384                     |
| Total noncurrent liabilities                                   | <u>3,289,356</u>            | <u>3,389,613</u>            |
| <b>Total liabilities</b>                                       | <b><u>5,695,231</u></b>     | <b><u>5,830,297</u></b>     |
| Deferred inflows of resources                                  | 155,773                     | 184,373                     |
| <b>Net position</b>  |                             |                             |
| Net investment in capital assets                               | 1,936,306                   | 2,110,582                   |
| Restricted, by donor   | 548,194                     | 536,967                     |
| Unrestricted   | 7,009,791                   | 6,643,093                   |
| <b>Total net position</b>                                      | <b><u>9,494,291</u></b>     | <b><u>9,290,642</u></b>     |
| <b>Total liabilities and deferred inflows and net position</b> | <b><u>\$ 15,345,295</u></b> | <b><u>\$ 15,305,312</u></b> |

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

|   | <b>Three Months Ended<br/>March 31, 2025</b> | <b>Three Months Ended<br/>March 31, 2024</b> |
|---|--|--|
| <b>Revenue</b>  |  |  |
| Patient service revenue   | \$ 2,340,345                                 | \$ 2,048,274                                 |
| Other revenue   | 367,532                                      | 287,083                                      |
| Total revenue   | <u>2,707,877</u>                             | <u>2,335,357</u>                             |
| <b>Expenses</b>   |  |  |
| Salaries, wages, and benefits   | 1,420,616                                    | 1,330,970                                    |
| Supplies and drugs  | 634,977                                      | 536,744                                      |
| Purchased services and other expenses   | 359,854                                      | 332,696                                      |
| Depreciation and amortization   | 126,101                                      | 129,764                                      |
| Total operating expenses  | <u>2,541,548</u>                             | <u>2,330,174</u>                             |
| <b>Operating income</b>   | <b>166,329</b>                               | <b>5,183</b>                                 |
| <b>Nonoperating income</b>  |  |  |
| Interest expense  | (29,825)                                     | (30,864)                                     |
| Investment income, net  | 49,390                                       | 232,970                                      |
| Other nonoperating income (loss), net   | 10,034                                       | (3,056)                                      |
| Total nonoperating income, net  | <u>29,599</u>                                | <u>199,050</u>                               |
| <b>Excess of revenues and support over expenses and losses before contributions</b> | <b>\$ 195,928</b>                            | <b>\$ 204,233</b>                            |
| <b>Changes in net position</b>  |  |  |
| Capital and other contributions   | 7,721  | 2,409  |
| <b>Changes in net position</b>  | <b>203,649</b>                               | <b>206,642</b>                               |
| Net position, beginning of year   | 9,290,642                                    | 7,935,089                                    |
| <b>Net position, end of period</b>  | <b><u>\$ 9,494,291</u></b>                   | <b><u>\$ 8,141,731</u></b>                   |

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

(in thousands)

|  | <b>Three Months Ended<br/>March 31, 2025</b> | <b>Three Months Ended<br/>March 31, 2024</b> |
|--|--|--|
| <b>Cash flows from operating activities</b>  |  |  |
| Receipts from third-party payers and patients                                      | \$ 2,239,494                                 | \$ 1,978,228                                 |
| Payments to suppliers  | (1,176,894)                                  | (1,060,727)                                  |
| Payments to employees  | (1,627,682)                                  | (1,483,570)                                  |
| Other receipts, net  | 306,866                                      | 412,593                                      |
| Net cash used in operating activities  | <u>(258,216)</u>                             | <u>(153,476)</u>                             |
| <b>Cash flows from noncapital financing activities</b>                             |  |  |
| Proceeds from the issuance of commercial paper                                     | 250,000                                      | 200,000                                      |
| Retirements of commercial paper  | —  | (250,000)                                    |
| Other activities   | 75   | (5,961)                                      |
| Net cash provided by (used in) noncapital financing activities                     | <u>250,075</u>                               | <u>(55,961)</u>                              |
| <b>Cash flows from capital and related financing activities</b>                    |  |  |
| Capital expenditures   | (205,870)                                    | (141,300)                                    |
| Interest payments on short- and long-term debt                                     | (35,955)                                     | (49,039)                                     |
| Repayments of long-term debt, net  | (43,688)                                     | (42,791)                                     |
| Proceeds from issuance of long-term debt   | —  | (342)  |
| Contributions restricted for building and equipment purchases                      | 6,842  | 3,266  |
| Other contributions  | 1,102  | 127  |
| Net cash used in capital and related financing activities                          | <u>(277,569)</u>                             | <u>(230,079)</u>                             |
| <b>Cash flows from investing activities</b>  |  |  |
| Investment earnings  | 2,008  | (10,207)                                     |
| Withdrawals from assets limited as to use  | 207,583                                      | 57,500                                       |
| Contributions to assets limited as to use  | (12,714)                                     | (45,825)                                     |
| Purchase of equity method investments  | (319)  | (3,317)                                      |
| Net cash provided by (used in) investing activities                                | <u>196,558</u>                               | <u>(1,849)</u>                               |
| <b>Net decrease in cash, cash equivalents and restricted cash</b>                  | <b>(89,152)</b>                              | <b>(441,365)</b>                             |
| <b>Cash and cash equivalents</b>   |  |  |
| Beginning of year  | 394,849                                      | 693,166                                      |
| End of period  | <u>\$ 305,697</u>                            | <u>\$ 251,801</u>                            |
| <b>Reconciliation of cash and cash equivalents to the balance sheet</b>            |  |  |
| Cash and cash equivalents  | 304,928                                      | 251,069                                      |
| Restricted cash in investments and assets whose use is limited                     | 769  | 732  |
| <b>Total cash, cash equivalents and restricted cash</b>                            | <u>\$ 305,697</u>                            | <u>\$ 251,801</u>                            |
| <b>Reconciliation of operating income to net cash used in operating activities</b> |  |  |
| Operating income   | \$ 166,329                                   | \$ 5,183                                     |
| Adjustments to reconcile operating income to net cash used in operating activities |  |  |
| Depreciation and amortization  | 126,101                                      | 129,764                                      |
| Increase in patient accounts receivable, net                                       | (89,968)                                     | (33,729)                                     |
| (Increase) decrease in other current assets  | (72,894)                                     | 97,282                                       |
| Increase in other noncurrent assets  | (38,822)                                     | (425)  |
| Decrease in accounts payable and other accrued liabilities                         | (381,321)                                    | (302,371)                                    |
| Increase (decrease) in other noncurrent liabilities                                | 43,243                                       | (12,863)                                     |
| Decrease in estimated third party payer settlements                                | (10,883)                                     | (36,317)                                     |
| Net cash used in operating activities  | <u>\$ (258,215)</u>                          | <u>\$ (153,476)</u>                          |

**THE CMHA COMBINED GROUP  
UTILIZATION STATISTICS**

|   | Three Months<br>Ended March 31,<br>2025 | Three Months<br>Ended March 31,<br>2024 | Change | % Change |
|---|---|---|--------|----------|
| <b>Medical Group</b>                              |   |   |        |          |
| Practice locations <sup>(1)</sup>                 | 547                                     | 536                                     | 11     | 2.1 %    |
| Total Physicians <sup>(1)</sup>                   | 1,995                                   | 1,874                                   | 121    | 6.5 %    |
| Patient visits (including faculty) <sup>(1)</sup> | 1,712,818                               | 1,632,542                               | 80,276 | 4.9 %    |
| <b>Total Acute Care Facilities</b>                |   |   |        |          |
| Adjusted patient days (excluding newborn)         | 561,118                                 | 523,693                                 | 37,425 | 7.1 %    |
| Adjusted discharges (excluding newborn)           | 95,191                                  | 89,445                                  | 5,746  | 6.4 %    |
| Surgical Procedures                               | 27,068                                  | 26,639                                  | 429    | 1.6 %    |

<sup>(1)</sup> Prior year 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 three months ended March 31, 2025 and 2024. These financial statements have been prepared in accordance with U.S. generally accepted accounting principles, as promulgated by FASB. December 31, 2024 information is derived from the audited financial statements.

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

|   | <u>March 31, 2025</u>      | <u>December 31, 2024</u>   |
|---|----------------------------|----------------------------|
| <b>Assets</b>                                     |                            |                            |
| Current assets                                    |                            |                            |
| Cash and cash equivalents                         | \$ 343,715                 | \$ 482,279                 |
| Patient accounts receivable                       | 529,134                    | 481,037                    |
| Other current assets                              | 310,298                    | 376,309                    |
| Total current assets                              | <u>1,183,147</u>           | <u>1,339,625</u>           |
| Noncurrent assets                                 |                            |                            |
| Assets limited as to use                          | 2,264,519                  | 2,274,755                  |
| Property and equipment, net                       | 1,618,568                  | 1,579,837                  |
| Operating lease right-of-use assets               | 147,180                    | 154,937                    |
| Other noncurrent assets                           | 140,553                    | 194,976                    |
| Total noncurrent assets                           | <u>4,170,820</u>           | <u>4,204,505</u>           |
| <b>Total assets</b>                               | <b><u>\$ 5,353,967</u></b> | <b><u>\$ 5,544,130</u></b> |
| <b>Liabilities</b>                                |                            |                            |
| Current liabilities                               |                            |                            |
| Long-term debt, current portion                   | \$ 229,223                 | \$ 232,066                 |
| Operating lease liabilities, current portion      | 42,688                     | 42,600                     |
| Accrued salaries and employee benefits            | 244,128                    | 369,958                    |
| Accounts payable and other accrued liabilities    | 352,133                    | 378,271                    |
| Third-party payors payables                       | 32,432                     | 72,727                     |
| Total current liabilities                         | <u>900,604</u>             | <u>1,095,622</u>           |
| Noncurrent liabilities                            |                            |                            |
| Long-term debt, less current portion              | 779,945                    | 781,792                    |
| Operating lease liabilities, less current portion | 110,439                    | 118,278                    |
| Obligations under swap agreements                 | 769                        | 638                        |
| Other noncurrent liabilities                      | 333,426                    | 353,327                    |
| Total noncurrent liabilities                      | <u>1,224,579</u>           | <u>1,254,035</u>           |
| <b>Total liabilities</b>                          | <b><u>2,125,183</u></b>    | <b><u>2,349,657</u></b>    |
| <b>Net assets</b>                                 |                            |                            |
| Without donor restrictions                        |                            |                            |
| Controlling interest                              | 2,687,388                  | 2,661,947                  |
| Noncontrolling interests in subsidiaries          | 1,773                      | 9,384                      |
| Total net assets without donor restrictions       | <u>2,689,161</u>           | <u>2,671,331</u>           |
| With donor restrictions                           | 539,623                    | 523,142                    |
| Total net assets                                  | <u>3,228,784</u>           | <u>3,194,473</u>           |
| <b>Total liabilities and net assets</b>           | <b><u>\$ 5,353,967</u></b> | <b><u>\$ 5,544,130</u></b> |

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

|   | <b>Three Months Ended<br/>March 31, 2025</b> | <b>Three Months Ended<br/>March 31, 2024</b> |
|---|--|--|
| <b>Revenue</b>  |  |  |
| Patient service revenue   | \$ 1,152,214                                 | \$ 970,165                                   |
| Other revenue   | 327,571                                      | 272,725                                      |
| Total revenue   | <u>1,479,785</u>                             | <u>1,242,890</u>                             |
| <b>Expenses</b>   |  |  |
| Salaries, wages and benefits  | 781,595                                      | 722,017                                      |
| Supplies and drugs  | 362,313                                      | 310,844                                      |
| Purchased services and other  | 265,050                                      | 180,143                                      |
| Depreciation and amortization   | 34,797                                       | 40,382                                       |
| Interest  | 6,782  | 7,742  |
| Total expenses  | <u>1,450,537</u>                             | <u>1,261,128</u>                             |
| <b>Operating income (loss)</b>  | <b>29,248</b>                                | <b>(18,238)</b>                              |
| <b>Nonoperating income</b>  |  |  |
| Investment income, net  | 17,907                                       | 73,477                                       |
| Other nonoperating loss, net  | (1,300)                                      | (2,495)                                      |
| Total nonoperating income, net  | <u>16,607</u>                                | <u>70,982</u>                                |
| <b>Revenue in excess of expenses</b>  | <b>45,855</b>                                | <b>52,744</b>                                |
| Less loss (income) attributable to noncontrolling interests                 | <u>7,611</u>                                 | <u>(181)</u>                                 |
| <b>Revenue in excess of expenses - attributable to controlling interest</b> | <b>\$ 53,466</b>                             | <b>\$ 52,563</b>                             |

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

|  | <b>Three Months Ended<br/>March 31, 2025</b> | <b>Three Months Ended<br/>March 31, 2024</b> |
|--|--|--|
| <b>Net assets without donor restrictions, controlling interest</b>                     |  |  |
| Revenue in excess of expenses - attributable to controlling interest                   | \$ 53,466                                    | \$ 52,563                                    |
| Equity transfer to related party, net  | (28,025)                                     | —  |
| Increase in net assets without donor restrictions, controlling interest                | 25,441                                       | 52,563                                       |
| <b>Net assets without donor restrictions, noncontrolling interests</b>                 |  |  |
| Revenues (less than) in excess of expenses - attributable to noncontrolling interests  | (7,611)                                      | 181  |
| (Decrease) increase in net assets without donor restrictions, noncontrolling interests | (7,611)                                      | 181  |
| <b>Net assets with donor restrictions</b>  |  |  |
| Contributions  | 33,671                                       | 19,647                                       |
| Investment income, net   | 500  | 10,104                                       |
| Net assets released from restrictions for operations                                   | (19,454)                                     | (19,036)                                     |
| Other, net   | 1,764  | 2,616  |
| Increase in net assets with donor restrictions   | 16,481                                       | 13,331                                       |
| <b>Increase in net assets</b>  | <b>34,311</b>                                | <b>66,075</b>                                |
| Net assets at beginning of period  | 3,194,473                                    | 2,880,481                                    |
| <b>Net assets at end of period</b>   | <b>\$ 3,228,784</b>                          | <b>\$ 2,946,556</b>                          |

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

|   | Three Months Ended<br>March 31, 2025 | Three Months Ended<br>March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| <b>Cash flows from operating activities</b>   |                                      |                                      |
| Increase in net assets  | \$ 34,311                            | \$ 66,075                            |
| Adjustments to reconcile change in net assets to net cash used in operating activities: |                                      |                                      |
| Depreciation and amortization   | 34,521                               | 40,104                               |
| Noncash lease expense   | 12,182                               | 10,463                               |
| Equity transfer to related party, net   | 28,025                               | —                                    |
| Other   | (1,735)                              | 4,276                                |
| Changes in operating assets and liabilities   |                                      |                                      |
| Trading securities, net   | 852,719                              | (86,560)                             |
| Patient accounts receivable   | (48,097)                             | (14,379)                             |
| Third-party payors receivables and payables, net  | (10,576)                             | (15,778)                             |
| Due from related party  | (923,315)                            | —                                    |
| Other assets and liabilities, net   | (94,115)                             | (93,554)                             |
| Net cash used in operating activities   | <u>(116,080)</u>                     | <u>(89,353)</u>                      |
| <b>Cash flows from investing activities</b>   |                                      |                                      |
| Capital expenditures  | (72,230)                             | (65,758)                             |
| Other   | 505                                  | —                                    |
| Net cash used in investing activities   | <u>(71,725)</u>                      | <u>(65,758)</u>                      |
| <b>Cash flows from financing activities</b>   |                                      |                                      |
| Repayments of long-term debt, net   | (4,414)                              | (1,818)                              |
| Proceeds from restricted contributions and income on investments                        | 1,866                                | (4,551)                              |
| Equity transfer from related party, net   | 18,402                               | —                                    |
| Net cash provided by (used in) financing activities                                     | <u>15,854</u>                        | <u>(6,369)</u>                       |
| <b>Net decrease in cash and cash equivalents</b>  | <b>(171,951)</b>                     | <b>(161,480)</b>                     |
| Cash and cash equivalents at beginning of period  | 536,812                              | 491,757                              |
| <b>Cash and cash equivalents at end of period</b>                                       | <b><u>\$ 364,861</u></b>             | <b><u>\$ 330,277</u></b>             |
| <b>Reconciliation of cash and cash equivalents to the balance sheet</b>                 |                                      |                                      |
| Cash and cash equivalents   | 343,715                              | 269,723                              |
| Restricted cash in assets limited as to use   | 21,146                               | 60,554                               |
|   | <u>\$ 364,861</u>                    | <u>\$ 330,277</u>                    |
| <b>Supplemental disclosures of noncash information</b>                                  |                                      |                                      |
| Operating lease right-of-use assets in exchange for new operating lease liabilities     | \$ 4,558                             | \$ 5,797                             |

Certain reclassifications were made to the three months ended March 31, 2024 statement of cash flows amounts to conform to the classifications used in 2025. There was no impact on previously reported 2024 net assets or revenues in excess of expenses.

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

|   | March 31, 2025                          |                            |                     |   |
|---|---|----------------------------|---------------------|---|
|   | Atrium Health<br>Wake Forest<br>Baptist | Non-Designated<br>Entities | Eliminations        | Atrium Health<br>Wake Forest<br>Baptist Combined<br>Group |
| <b>Assets</b>                                     |   |                            |                     |   |
| Current assets                                    |   |                            |                     |   |
| Cash and cash equivalents                         | \$ 343,715                              | \$ (13,054)                | \$ —                | \$ 330,661  |
| Patient accounts receivable                       | 529,134                                 | (26,236)                   | —                   | 502,898   |
| Other current assets                              | 310,298                                 | (29,051)                   | —                   | 281,247   |
| Total current assets                              | 1,183,147                               | (68,341)                   | —                   | 1,114,806   |
| Noncurrent assets                                 |   |                            |                     |   |
| Assets limited as to use                          | 2,264,519                               | (94,072)                   | —                   | 2,170,447   |
| Property and equipment, net                       | 1,618,568                               | (104,912)                  | —                   | 1,513,656   |
| Operating lease right-of-use assets               | 147,180                                 | (49,087)                   | —                   | 98,093  |
| Other noncurrent assets                           | 140,553                                 | (43,396)                   | (150,091)           | (52,934)  |
| Total noncurrent assets                           | 4,170,820                               | (291,467)                  | (150,091)           | 3,729,262   |
| <b>Total assets</b>                               | <b>\$ 5,353,967</b>                     | <b>\$ (359,808)</b>        | <b>\$ (150,091)</b> | <b>\$ 4,844,068</b>                                       |
| <b>Liabilities</b>                                |   |                            |                     |   |
| Current liabilities                               |   |                            |                     |   |
| Long-term debt, current portion                   | \$ 229,223                              | \$ (877)                   | \$ —                | \$ 228,346  |
| Operating lease liabilities, current portion      | 42,688                                  | (11,235)                   | —                   | 31,453  |
| Accrued salaries and employee benefits            | 244,128                                 | (10,987)                   | —                   | 233,141   |
| Accounts payable and other accrued liabilities    | 352,133                                 | (238,926)                  | —                   | 113,207   |
| Third-party payors payables                       | 32,432                                  | (245)                      | —                   | 32,187  |
| Total current liabilities                         | 900,604                                 | (262,270)                  | —                   | 638,334   |
| Noncurrent liabilities                            |   |                            |                     |   |
| Long-term debt, less current portion              | 779,945                                 | (21,206)                   | —                   | 758,739   |
| Operating lease liabilities, less current portion | 110,439                                 | (39,320)                   | —                   | 71,119  |
| Obligations under swap agreements                 | 769                                     | —                          | —                   | 769   |
| Other noncurrent liabilities                      | 333,426                                 | (702)                      | —                   | 332,724   |
| Total noncurrent liabilities                      | 1,224,579                               | (61,228)                   | —                   | 1,163,351   |
| <b>Total liabilities</b>                          | <b>2,125,183</b>                        | <b>(323,498)</b>           | <b>—</b>            | <b>1,801,685</b>  |
| <b>Net assets</b>                                 |   |                            |                     |   |
| Without donor restrictions                        |   |                            |                     |   |
| Controlling interest                              | 2,687,388                               | (31,243)                   | (148,318)           | 2,507,827   |
| Noncontrolling interests in subsidiaries          | 1,773                                   | —                          | (1,773)             | —   |
| Total net assets without donor restrictions       | 2,689,161                               | (31,243)                   | (150,091)           | 2,507,827   |
| With donor restrictions                           | 539,623                                 | (5,067)                    | —                   | 534,556   |
| <b>Total net assets</b>                           | <b>3,228,784</b>                        | <b>(36,310)</b>            | <b>(150,091)</b>    | <b>3,042,383</b>  |
| <b>Total liabilities and net assets</b>           | <b>\$ 5,353,967</b>                     | <b>\$ (359,808)</b>        | <b>\$ (150,091)</b> | <b>\$ 4,844,068</b>                                       |

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

|   | Three Months Ended March 31, 2025       |                            |                    |   |
|---|---|----------------------------|--------------------|---|
|   | Atrium Health<br>Wake Forest<br>Baptist | Non-Designated<br>Entities | Eliminations       | Atrium Health<br>Wake Forest<br>Baptist Combined<br>Group |
| <b>Revenue</b>  |   |                            |                    |   |
| Patient service revenue   | \$ 1,152,214                            | \$ (77,710)                | \$ —               | \$ 1,074,504  |
| Other revenue   | 327,571                                 | (10,623)                   | —                  | 316,948   |
| Total revenue   | 1,479,785                               | (88,333)                   | —                  | 1,391,452   |
| <b>Expenses</b>   |   |                            |                    |   |
| Salaries, wages and benefits  | 781,595                                 | (54,308)                   | —                  | 727,287   |
| Supplies and drugs  | 362,313                                 | (16,634)                   | —                  | 345,679   |
| Purchased services and other  | 265,050                                 | (21,938)                   | —                  | 243,112   |
| Depreciation and amortization   | 34,797                                  | (4,128)                    | —                  | 30,669  |
| Interest  | 6,782                                   | (223)                      | —                  | 6,559   |
| Total expenses  | 1,450,537                               | (97,231)                   | —                  | 1,353,306   |
| <b>Operating income</b>   | <b>29,248</b>                           | <b>8,898</b>               | <b>—</b>           | <b>38,146</b>   |
| <b>Nonoperating income</b>  |   |                            |                    |   |
| Investment income, net  | 17,907                                  | (816)                      | —                  | 17,091  |
| Other nonoperating (loss) income, net   | (1,300)                                 | 237                        | (15,274)           | (16,337)  |
| Total nonoperating income, net  | 16,607                                  | (579)                      | (15,274)           | 754   |
| <b>Revenue in excess of (less than) expenses</b>  | <b>45,855</b>                           | <b>8,319</b>               | <b>(15,274)</b>    | <b>38,900</b>   |
| Less loss attributable to noncontrolling interests                                      | 7,611                                   | —                          | (7,611)            | —   |
| <b>Revenue in excess of (less than) expenses - attributable to controlling interest</b> | <b>\$ 53,466</b>                        | <b>\$ 8,319</b>            | <b>\$ (22,885)</b> | <b>\$ 38,900</b>  |

(Continued)

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

|  | Three Months Ended March 31, 2025       |                            |                     |   |
|--|---|----------------------------|---------------------|---|
|  | Atrium Health<br>Wake Forest<br>Baptist | Non-Designated<br>Entities | Eliminations        | Atrium Health<br>Wake Forest<br>Baptist Combined<br>Group |
| <b>Net assets without donor restrictions, controlling interest</b>                 |   |                            |                     |   |
| Revenue in excess of (less than) expenses - attributable to controlling interest   | \$ 53,466                               | \$ 8,319                   | \$ (22,885)         | \$ 38,900   |
| Equity transfer to related party, net  | (28,025)                                | 71,235                     | (61,652)            | (18,442)  |
| Increase (decrease) in net assets without donor restrictions, controlling interest | 25,441                                  | 79,554                     | (84,537)            | 20,458  |
| <b>Net assets without donor restrictions, noncontrolling interests</b>             |   |                            |                     |   |
| Revenues less than expenses - attributable to noncontrolling interests             | (7,611)                                 | —                          | 7,611               | —   |
| Decrease in net assets without donor restrictions, noncontrolling interests        | (7,611)                                 | —                          | 7,611               | —   |
| <b>Net assets with donor restrictions</b>  |   |                            |                     |   |
| Contributions  | 33,671                                  | (5,019)                    | —                   | 28,652  |
| Investment income, net   | 500                                     | —                          | —                   | 500   |
| Net assets released from restrictions for operations                               | (19,454)                                | —                          | —                   | (19,454)  |
| Other, net   | 1,764                                   | —                          | —                   | 1,764   |
| Increase (decrease) in net assets with donor restrictions                          | 16,481                                  | (5,019)                    | —                   | 11,462  |
| <b>Increase (decrease) in net assets</b>   | <b>34,311</b>                           | <b>74,535</b>              | <b>(76,926)</b>     | <b>31,920</b>   |
| Net assets at beginning of period  | 3,194,473                               | (110,845)                  | (73,165)            | 3,010,463   |
| <b>Net assets at end of period</b>   | <b>\$ 3,228,784</b>                     | <b>\$ (36,310)</b>         | <b>\$ (150,091)</b> | <b>\$ 3,042,383</b>                                       |

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

|  | <b>Three Months<br/>Ended March 31,<br/>2025</b> | <b>Three Months<br/>Ended March 31,<br/>2024</b> | <b>Change</b> | <b>% Change</b> |
|--|--|--|---------------|-----------------|
| Case Mix Adjusted Equivalent Discharges            | 82,925   | 80,803   | 2,122         | 2.6 %           |
| Patient Days                                       | 96,616   | 88,939   | 7,677         | 8.6 %           |
| Inpatient Admissions                               | 18,023   | 17,181   | 842           | 4.9 %           |
| Average Length of Stay                             | 5.36   | 5.18   | 0.18          | 3.5 %           |
| Average Length of Stay (Case Mix Adjusted)         | 2.96   | 2.70   | 0.26          | 9.6 %           |
| Inpatient Operating Room Cases                     | 4,676  | 4,652  | 24            | 0.5 %           |
| Outpatient Operating Room Cases                    | 11,100   | 10,726   | 374           | 3.5 %           |
| Total Operating Room Cases                         | 15,776   | 15,378   | 398           | 2.6 %           |
| Emergency Department Visits                        | 58,235   | 53,491   | 4,744         | 8.9 %           |
| Case Mix Index (all payors using Medicare weights) | 1.8090   | 1.9181   | (0.1091)      | (5.7)%          |
| RVUs   | 3,028,349  | 2,500,174  | 528,175       | 21.1 %          |
| Outpatient Visits <sup>(1)</sup>                   | 807,910  | 520,740  | 287,170       | 55.1 %          |

<sup>(1)</sup>The methodology for calculation of outpatient visits has changed beginning March 2025. The previous year has not been restated.