Parkview Health System, Inc. and Subsidiaries d/b/a Parkview Health

Consolidated Financial Report
and Supplementary Information
December 31, 2023

Contents

Independent Auditor's Report

Board of Directors
Parkview Health System, Inc.

Opinion
We have audited the consolidated financial statements of Parkview Health System, Inc. and Subsidiaries d/b/a Parkview Health (PH or the Corporation), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, the related consolidated statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of Parkview Health System, Inc. and Subsidiaries d/b/a Parkview Health as of December 31, 2023 and 2022, and the results of their operations, changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

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

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information
Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The details of consolidated balance sheets and details of consolidated statements of operations and changes in net assets are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated, in all material respects, in relation to the financial statements as a whole.

RSM US LLP

Cleveland, Ohio
April 18, 2024

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Consolidated Balance Sheets
December 31, 2023 and 2022
(In Thousands)

	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	**$ 182,439**	$ 199,459
Short-term investments	**20,907**	19,932
Patient accounts receivable	**368,668**	356,019
Inventories	**71,080**	73,245
Prepaid expenses and other current assets	**61,710**	50,932
Estimated third-party payer settlements	**20,001**	-
Due from investment brokers	**5,227**	41,144
Total current assets	**730,032**	740,731
Assets limited as to use and investments:		
Investments - less short-term investments	**1,654,726**	1,664,320
Funds held by trustees	**38,864**	7,531
Other investments	**2,607**	3,524
	1,696,197	1,675,375
Property and equipment:		
Cost	**2,585,744**	2,435,270
Less accumulated depreciation and amortization	**1,254,641**	1,187,455
	1,331,103	1,247,815
Other assets:		
Finance lease right-of-use assets, net	**20,351**	15,469
Operating lease right-of-use assets, net	**45,642**	32,839
Interest rate swaps	**4,705**	-
Investments in joint ventures	**4,485**	5,360
Goodwill and intangible assets, net	**104,887**	104,894
Other assets	**34,536**	32,279
	214,606	190,841
Total assets	**$ 3,971,938**	$ 3,854,762

(Continued)

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Consolidated Balance Sheets (Continued)
December 31, 2023 and 2022
(In Thousands)

	2023	2022
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	**$ 172,898**	$ 200,491
Salaries, wages and related liabilities	**212,137**	192,670
Accrued interest	**4,028**	3,692
Estimated third-party payer settlements	**15,410**	55,842
Borrowing under revolving line of credit	**-**	50,000
Current portion of long-term debt	**31,459**	31,568
Current portion of finance lease liabilities	**8,064**	4,991
Current portion of operating lease liabilities	**6,359**	6,794
Due to investment brokers	**2,557**	55,483
Total current liabilities	**452,912**	601,531
Noncurrent liabilities:		
Long-term debt, less current portion	**718,758**	707,976
Finance lease liabilities, less current portion	**12,576**	10,793
Operating lease liabilities, less current portion	**40,824**	27,280
Interest rate swaps	**25,123**	29,926
Accrued pension obligations	**52,936**	46,602
Other	**29,247**	30,637
	879,464	853,214
Net assets:		
Parkview Health System, Inc.	**2,587,366**	2,354,056
Noncontrolling interest in subsidiaries	**33,420**	32,832
Total net assets without donor restrictions	**2,620,786**	2,386,888
Net assets with donor restrictions	**18,776**	13,129
Total net assets	**2,639,562**	2,400,017
Total liabilities and net assets	**$ 3,971,938**	$ 3,854,762

See notes to consolidated financial statements.

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Consolidated Statements of Operations and Changes in Net Assets
Years Ended December 31, 2023 and 2022
(In Thousands)

	2023	2022
Revenues:		
Patient care service revenue	**$ 2,604,210**	$ 2,457,046
Other revenue	**207,840**	227,498
	2,812,050	2,684,544
Expenses:		
Salaries and benefits	**1,576,015**	1,520,483
Supplies	**533,533**	491,962
Purchased services	**218,329**	189,351
Utilities, repairs and maintenance	**81,078**	79,084
Depreciation and amortization	**100,393**	123,693
Hospital assessment fee	**123,244**	93,433
Interest and financing costs	**29,193**	25,223
Other, net	**105,940**	100,075
	2,767,725	2,623,304
Operating income	**44,325**	61,240
Nonoperating income (expense):		
Interest, dividends and realized gains on sales of investments, net	**21,241**	28,875
Unrealized gains (losses) on investments, net	**139,327**	(244,992)
Unrealized gains on interest rate swaps, net	**9,507**	39,905
Net periodic benefit expense other than service cost	**6,813**	497
Contribution of net assets without donor restrictions of Community Hospital & Wellness Centers, Inc.	**59,926**	-
Other, net	**(1,812)**	1,983
	235,002	(173,732)
Excess (deficit) of revenues over expenses	**279,327**	(112,492)
Excess of revenues over expenses attributable to noncontrolling interest in subsidiaries	**28,539**	28,639
Excess (deficit) of revenues over expenses attributable to Parkview Health System, Inc.	**$ 250,788**	$ (141,131)

(Continued)

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Consolidated Statements of Operations and Changes in Net Assets (Continued)
Year Ended December 31, 2023
(In Thousands)

	Year Ended December 31, 2023		
	Total	Controlling Interest	Noncontrolling Interest
Net assets without donor restrictions:			
Excess of revenues over expenses	$ 279,327	$ 250,788	$ 28,539
Distributions to noncontrolling interests	(27,951)	-	(27,951)
Pension-related changes other than net periodic pension cost	(15,378)	(15,378)	-
Other	(3,512)	(3,512)	-
Net assets released from restriction used for property and equipment	1,412	1,412	-
Increase in net assets without donor restrictions	233,898	233,310	588
Net assets with donor restrictions:			
Contributions	2,011	2,011	-
Investment gain	859	859	-
Net assets released from restrictions	(1,412)	(1,412)	-
Contribution of net assets without donor restrictions of Share Foundation of Community Hospitals of Williams County, Inc.	4,141	4,141	-
Other	48	48	-
Increase in net assets with donor restrictions	5,647	5,647	-
Increase in net assets	239,545	238,957	588
Net assets:			
Beginning of year	2,400,017	2,367,185	32,832
End of year	$ 2,639,562	$ 2,606,142	$ 33,420

(Continued)

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Consolidated Statements of Operations and Changes in Net Assets (Continued)
Year Ended December 31, 2022
(In Thousands)

	Year Ended December 31, 2022		
	Total	Controlling Interest	Noncontrolling Interest
Net assets without donor restrictions:			
Excess of revenues over expenses	$ (112,492)	$ (141,131)	$ 28,639
Distributions to noncontrolling interests	(29,085)	-	(29,085)
Pension-related changes other than net periodic pension cost	76,341	76,341	-
Other	591	591	-
Net assets released from restriction used for property and equipment	1,220	1,220	-
Decrease in net assets without donor restrictions	(63,425)	(62,979)	(446)
Net assets with donor restrictions:			
Contributions	748	748	-
Investment loss	(769)	(769)	-
Net assets released from restrictions	(1,220)	(1,220)	-
Decrease in net assets with donor restrictions	(1,241)	(1,241)	-
Decrease in net assets	(64,666)	(64,220)	(446)
Net assets:			
Beginning of year	2,464,683	2,431,405	33,278
End of year	$ 2,400,017	$ 2,367,185	$ 32,832

See notes to consolidated financial statements.

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Consolidated Statements of Cash Flows
Years Ended December 31, 2023 and 2022
(In Thousands)

	2023	2022
Cash flows from operating activities:		
Increase (decrease) in net assets	$ 239,545	$ (64,666)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation and amortization	100,393	123,693
Contributions restricted for capital	(2,011)	(748)
Undistributed loss from alternative investments	5,679	17,813
Unrealized gain on interest rate swaps, net	(9,507)	(39,905)
Amortization of deferred financing costs and net premium	(1,958)	(2,314)
Loss (gain) on early refinancing of long-term debt	226	(232)
Gain from New Market Tax Credit	-	(2,807)
Loss (gain) from disposal of property and equipment	1,587	(1,925)
Distributions to noncontrolling interests	27,951	29,085
Pension-related changes other than net periodic pension cost	15,378	(76,341)
Contribution of net assets without donor restrictions of Community Hospitals and Wellness Centers, Inc.	(59,926)	-
Contribution of net assets with donor restrictions of Share Foundation of Community Hospitals of Williams County, Inc.	(4,141)	-
Reduction in operating lease right-of-use assets	10,286	9,292
Cash paid for operating leases	(11,152)	(9,336)
Changes in operating assets and liabilities:		
Patient accounts receivable	5,289	3,491
Inventories	4,125	(12,786)
Prepaid expenses and other current assets	(9,385)	(5,898)
Trading securities, net	14,747	309,977
Due to investment brokers, net	(17,009)	(6,070)
Accounts payable, accrued expenses and other current liabilities	(15,888)	31,139
Estimated third-party payer settlements	(60,130)	(54,746)
Contract liability - Medicare Advance Payment Program	-	(68,198)
Other	(9,379)	(4,333)
Net cash provided by operating activities	224,720	174,185
Cash flows from investing activities:		
Property and equipment additions	(149,177)	(171,301)
Cash paid for business acquisition	-	(3,000)
Proceeds from sale of property and equipment	7,347	10,499
Cash and cash equivalents received from contribution of Community Hospitals and Wellness Centers, Inc.	6,079	-
Net cash used in investing activities	(135,751)	(163,802)
Cash flows from financing activities:		
Principal payments of long-term debt	(31,568)	(27,382)
Proceeds from issuance of long-term debt	84,595	65,531
Early retirement of long-term debt	(76,035)	(49,475)
Borrowing under line of credit agreement	110,628	50,000
Repayment of borrowings under line of credit agreement	(160,628)	-
Payments of finance lease obligations	(9,620)	(7,538)
Distributions to noncontrolling interests	(27,951)	(29,085)
Contributions restricted for capital	2,011	748
Other	318	250
Net cash (used in) provided by financing activities	(108,250)	3,049
(Decrease) increase in cash and cash equivalents and restricted cash	(19,281)	13,432
Cash and cash equivalents and restricted cash (See Note 2):		
Beginning of year	203,526	190,094
End of year	$ 184,245	$ 203,526
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ 32,663	$ 23,777
Cash paid for income taxes	$ 962	$ 621
Supplemental disclosures of noncash investing and financing activities:		
Purchases of property and equipment financed with payables	$ 13,178	$ 13,082
Assignment of note receivable	$ -	$ 6,893
Assignment of note payable	$ -	$ 9,700

See notes to consolidated financial statements.

Note 1. Organization

Nature of operations: Parkview Health System, Inc., d/b/a Parkview Health (PH or the Corporation), is an integrated health care system which provides services in northeast Indiana and northwest Ohio. PH's mission is to provide quality health care services to all who entrust their care to PH and to improve the health of the community. Services provided by PH include acute, nonacute, and tertiary care services on an inpatient, outpatient, and emergency basis; managed care contracting, health care diagnostics, and treatment services for individuals and families; home health care; and behavioral health care. The principal operating activities of PH are conducted by wholly owned or controlled affiliates and subsidiaries.

PH is the sole corporate member of Parkview Hospital, Inc. (PVH). PVH comprises one acute care hospital; a behavioral health hospital; and a flagship tertiary care center, Parkview Regional Medical Center. In total, PVH offers 889 beds in Fort Wayne, Indiana. PH is the majority owner (60%) of the Orthopaedic Hospital at Parkview North LLC (ORTHO), which is a for-profit joint venture hospital with a large orthopedic physician group. ORTHO operates the Orthopaedic Hospital, a 37-bed orthopedic specialty hospital, and an ambulatory surgical center. In addition, PH is the sole corporate member of Huntington Memorial Hospital, Inc.; Whitley Memorial Hospital, Inc.; Community Hospital of Noble County, Inc.; Community Hospital of LaGrange County, Inc.; Parkview Wabash Hospital, Inc.; DeKalb Memorial Hospital, Inc., all located in the northeast region of Indiana; and Community Hospitals & Wellness Centers, located in the northwest region of Ohio. These hospitals, each of which operates an acute care community hospital and related facilities, are referred to collectively as the Hospital Affiliates. PH is the sole corporate member of Park Center, Inc., which is a Community Mental Health Center serving Allen, Adams and Wells Counties, in Indiana.

PH and PVH are the only members of Managed Care Services, LLC, which provides third-party administrative services to PH's employee health plan and acts as a preferred provider organization network of providers for self-funded employers.

Parkview Physicians Group (PPG), a division of PH, is a multidisciplinary group of employed physicians. PPG was developed to enhance the delivery of quality health care services in northeast Indiana and northwest Ohio. Disciplines represented in PPG include primary care, OB/GYN, orthopedics, colon and rectal surgery, cardiovascular surgery, general surgery, hospitalists/intensivists, podiatry, psychiatry, urology, cardiology, pulmonology and critical care, gastroenterology, rheumatology, anesthesiology, neurosciences, endocrinology, infectious disease, rehab therapy, pediatric specialties, sports medicine and oncology.

Note 1. Organization (Continued)

The legal entity names, marketing brand names, and acronyms for each significant entity within PH are as follows:

	Marketing Brand (d/b/a) Name	Acronym
Parkview Health System, Inc.	Parkview Health, including Parkview Physicians Group	PH and PPG
Parkview Hospital, Inc.	Parkview Regional Medical Center and Parkview Randallia Hospital	PVH
Orthopaedic Hospital at Parkview North, LLC	Parkview Ortho Hospital	ORTHO
Huntington Memorial Hospital, Inc.	Parkview Huntington Hospital	PHH
Whitley Memorial Hospital, Inc.	Parkview Whitley Hospital	PWH
Community Hospital of Noble County, Inc.	Parkview Noble Hospital	PNH
Community Hospital of LaGrange County, Inc.	Parkview LaGrange Hospital	PLH
Managed Care Services, LLC	Managed Care Services	MCS
Parkview Wabash Hospital, Inc.	Parkview Wabash Hospital	PWB
Parkview Hospital Foundation, Inc.	Parkview Hospital Foundation	PVHF
Parkview LaGrange Hospital Foundation, Inc.	Parkview LaGrange Foundation	PLHF
Whitley Memorial Hospital Foundation, Inc.	Parkview Whitley Hospital Foundation	PWHF
The Community Hospital of Noble County Foundation, Inc.	Parkview Noble Foundation	PNHF
The Parkview Huntington Hospital Foundation, Inc.	Parkview Huntington Hospital Foundation	PHHF
Parkview Wabash Hospital Foundation, Inc.	Parkview Wabash Hospital Foundation	WBHF
Parkview Occupational Health Centers, Inc.	Parkview Occupational Health Centers	POH
Park Center, Inc.	Park Center, Inc.	PAR
DeKalb Memorial Hospital, Inc.	Parkview DeKalb Hospital	PDH
Parkview DeKalb Hospital Foundation, Inc.	Parkview DeKalb Hospital Foundation	DHFN
Foundation Surgery Affiliate of Ft Wayne, LLC	Parkview Southwest Surgery Center	ISC
Community Hospitals and Wellness Centers, Inc.	Parkview Bryan Hospital, Parkview Montpelier Hospital, and Parkview Archbold Medical Center	BRY, MON, ARC
Share Foundation of Community Hospitals of Williams County, Inc.	Share Foundation of Community Hospitals of Williams County	WCFN
Parkview Health Foundation, Inc.	Parkview Health Foundation	FOUND

As outlined in the Articles of Merger of Nonprofit Corporations that were filed with the Indiana Secretary of State and effective December 31, 2023, Parkview Hospital Foundation, Inc.; Parkview Huntington Hospital Foundation, Inc.; Parkview Wabash Hospital Foundation, Inc.; Community Hospital of Noble County Foundation, Inc.; Whitley Memorial Hospital Foundation, Inc.; Parkview LaGrange Hospital Foundation, Inc.; and Parkview DeKalb Hospital Foundation, Inc. merged with and into the newly formed legal entity of Parkview Health Foundation, Inc., a public charity exempt from federal income tax under Sections 501(c)(3) and 170(b)(I)(A)(vi) of the Internal Revenue Code (IRC).

Transactions deemed by management to be ongoing, major, or central to the provision of health care services are reported as net patient care service revenue. Other transactions are included in other revenue. Other revenue includes pharmacy income, federal, state, and local grant income, rentals of medical office buildings, investment income from affiliated foundations, and equity income of unconsolidated affiliates and joint ventures.

(In Thousands)

Note 1. Organization (Continued)

Acquisition: Effective October 1, 2023, PH became the sole member of Community Hospitals & Wellness Centers. The two organizations share a commitment to delivering high quality, community-centric care, and the partnership will allow for the continued growth of health care services in Williams and Fulton Counties, in northwest Ohio. For accounting purposes, this transaction is considered an acquisition under Accounting Standards Codification (ASC) 958-805, *Not-For-Profit Entities: Business Combinations.* Transaction costs from legal and consulting services that are included in the consolidated statements of operations and changes in net assets were insignificant.

The following table presents the assets acquired and liabilities assumed as of the closing date, at fair value:

Current Assets		Current Liabilities	
Cash and cash equivalents	$ 6,079	Accounts payable	$ 2,363
Patient accounts receivable	19,433	Accrued expenses and other	7,278
Prepaid expenses and other assets	3,558	Current portion of long-term debt	12,474
Total current assets	29,070	**Total current liabilities**	22,115
		Noncurrent Liabilities	
Investments	44,503	Long-term debt, less current portion	22,642
Property and equipment	34,664	**Total liabilities**	44,757
Other assets	587	Net assets without donor restrictions	59,926
		Net assets with donor restrictions	4,141
Total assets	$ 108,824	**Total liabilities and net assets**	$ 108,824

The following table presents unaudited and audited financial information, respectively, for Community Hospitals & Wellness Centers for the year ended December 31, 2023, as if the closing of the fiscal year 2023 acquisition/affiliation had occurred on January 1, 2023.

	Pre-Acquisition (Unaudited) 1/1/2023 to 9/30/2023	Post-Acquisition (Audited) 10/1/2023 to 12/31/2023
Total revenue	$ 86,435	$ 24,517
Nonoperating income	2,166	2,416
Changes in net assets without donor restriction	419	5,934

The above financial information is not necessarily indicative of the results of operations that would have occurred if the acquisition/affiliation had been completed on the date indicated, nor is it indicative of future operating results.

In 2022, PH acquired two sports recreation LLCs for a total purchase price of $3,000 and formed Excel Sports Group, LLC.

Community benefits and charity care: The Corporation provides programs and services to address the needs of those in the communities it serves with limited financial resources, generally at no or low cost to those being served. Additional services are provided to beneficiaries of governmental programs (principally those relating to the Medicare and Medicaid programs) at substantial discounts from established rates and are considered part of the Corporation’s benefit to the communities.

Note 1. Organization (Continued)

Assistance is also provided to patients and their families for the submission of forms for insurance, financial counseling and application to the Medicare and Medicaid programs for health service coverage. The costs of providing these programs and services are included in expenses.

Consistent with the Corporation's mission, care is provided to patients regardless of their ability to pay. Patients who meet certain criteria for charity care are provided care without charge or at amounts less than established rates. Such amounts determined to qualify as charity care are not reported as revenue. Records are maintained to identify and monitor the level of charity care provided at the amount of standard charges foregone for services and supplies furnished.

The Corporation estimates the cost of charity by calculating a ratio of cost to gross charges and then multiplies this ratio by gross uncompensated charges associated with providing care to charity patients. The Corporation also offers a discount for all uninsured patients. Included in charity care is presumptive charity, where an automated algorithm identifies and writes off presumptive charity services based upon individual patients' historical propensity-to-pay factors. Also included in charity care are write offs of non-covered Medicaid and Health Indiana Plan (HIP) services. The cost of charity care provided in 2023 and 2022 approximates $30,889 and $24,140, respectively.

The Corporation, through PVH and all community hospitals, administers community benefit programs in communities served. Targeted funds for community benefit are controlled by the hospitals, and contributions made as a part of each hospital's community benefit program are under the direction of their respective Board of Directors. Each hospital has a long tradition of community involvement, and their community benefit programs reflect their commitment and support to the communities each serves.

The Corporation, through each of the hospitals, partners with local service organizations to develop initiatives aimed at improving the health of their communities. This has been achieved through collaborative efforts focusing on support for youth organizations, county councils on aging, emergency shelters, health fairs and screenings, awareness and prevention programs and free health clinics. Subsidies are provided for individual county emergency medical services, nursing services and physicals in local schools and athletic trainers at sporting events for both schools and at the local center for adults and children with disabilities.

Note 2. Significant Accounting Policies

Principles of consolidation: The consolidated financial statements include the accounts of PH and all majority-owned or majority-controlled subsidiaries. Significant intercompany accounts and transactions have been eliminated in consolidation. The equity method of accounting is used for investments in joint ventures, partnerships, and companies where ownership is 20% to 50% and PH has significant influence. For the years ended December 31, 2023 and 2022, PH's share of income recorded using the equity method approximated $1,135, and $3,151, respectively, and is recorded in other revenue in the consolidated statements of operations and changes in net assets.

Note 2. Significant Accounting Policies (Continued)

Use of estimates: The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and cash equivalents: Investments in highly liquid debt instruments with a maturity of three months or less when purchased, excluding amounts classified as short-term investments, assets limited as to use and investments, and funds held by trustees, are considered cash equivalents. The Corporation routinely invests in money market mutual funds. These funds generally invest in highly liquid U.S. government and agency obligations. Financial instruments that potentially subject the Corporation to concentrations of credit risk include the Corporation's cash and cash equivalents. The Corporation places its cash and cash equivalents with institutions of high credit quality. However, at certain times, such cash and cash equivalents may be in excess of government-provided insurance limits.

Patient accounts receivable, estimated third-party payer settlements and patient care service revenue: Patient accounts receivable and patient care service revenue are reported at the estimated net realizable amounts due from patients, third-party payers (including insurers), and others for services rendered and include estimated retroactive revenue adjustments due to the settlement of audits, reviews and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are settled and are no longer subject to such audits, reviews and investigations.

The Corporation grants credit to patients without requiring collateral or other security for the delivery of health care services. However, assignment of benefit payments payable under patients' health insurance programs and plans (e.g., Medicare, Medicaid, health maintenance organizations and commercial insurance policies) is routinely obtained, consistent with industry practice.

Inventories: Inventories consist primarily of drugs and supplies, are stated at the lesser of cost or net realizable value and are valued using the average cost method.

Investments: Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value based on quoted market prices. Alternative investments, including amounts held in pension plan assets, are reported using net asset value (NAV) as a practical expedient as provided by the respective fund managers. Alternative investments can include limited partnership interests in hedge funds and private equity, commingled and real estate investment funds. Management has utilized the best available information for reported alternative investment values, which in some instances are valuations as of an interim date. There is uncertainty in such valuations, and the estimated fair values may differ from the values that would have been used had a market for the securities existed.

Investment income or loss (including realized gains and losses on the sale of investments, unrealized gains and losses on investments, and changes in the carrying value of hedge funds), with the exception of investment income or loss, as defined, related to the various PH foundations, is reported as other nonoperating income (expense) unless the income is restricted by donor. Investment income or loss apportioned to the PH foundations is reported in other revenue. The cost of securities sold is based on the specific-identification method.

(In Thousands)

Note 2. Significant Accounting Policies (Continued)

Assets limited as to use and investments represent certain funds from operations and other sources. Funds are invested in accordance with Board-approved policies, which, among other matters, require diversification of the investment portfolio, establish credit risk parameters and limit the investment in any single organization. Substantially all assets limited as to use and investments transactions are managed by professional investment managers and are held in custody at financial institutions.

Funds held by trustees include investments restricted for payment of malpractice and general liability losses and proceeds of debt issuances restricted for payment of construction costs. All debt securities held by trustees, as well as short-term investments, are classified as trading securities.

The following table summarizes cash and cash equivalents and restricted cash as of and for the years December 31:

	2023	2022
Cash and cash equivalents	$ 175,897	$ 192,930
Restricted cash	6,542	6,529
Restricted cash included assets limited as to use and investments	1,806	4,067
Total	$ 184,245	$ 203,526

Short-term investments are comprised of various funds including corporate bonds, asset backed securities, commercial mortgages, and U.S. Treasuries with weighted average maturity of the total portfolio less than 12 months that are used for short-term working cash management. Investment income or loss is reported as other nonoperating income (expense).

Investment securities purchased and sold are reported based on the trade date. Due to the period lag between the trade and settlement dates, PH reports receivables for securities sold but not settled and reports liabilities for securities purchased but not settled. These receivables from, and payables to, investment brokers are settled from within the investment portfolio. These receivables and payables are mostly due to a separate account with a high quality, short-term fixed income bond strategy. The strategy is managed with an emphasis on preserving capital and maintaining a high degree of liquidity. In addition to buying and selling physical bonds in the portfolio, derivatives and forward settling trades are also utilized. These instruments are used to manage the portfolio’s overall risk and not to obtain leverage. Liabilities created from unsettled positions in the portfolio are fully collateralized by cash and cash equivalents. Unrealized gains or losses associated with derivative positions that are not marked to market via an exchange or similar clearinghouse are also collateralized in order to mitigate counterparty risk.

Property and equipment: Property and equipment are initially stated at cost or, if donated, at fair value on date of donation. Interest costs incurred as part of the related construction are capitalized during the period of construction. Depreciation is provided on a straight-line basis over the expected useful lives of the various classes of assets. Estimated useful lives range from five to 80 years for land improvements, five to 70 years for buildings and seven to 16 years for equipment.

Note 2. Significant Accounting Policies (Continued)

The costs of obtaining or developing internal-use software, including external direct costs for materials and services and directly related payroll costs, are capitalized. Amortization begins when the internal-use software is ready for its intended use. The software costs are amortized over the estimated useful lives of the software. The estimated useful lives range from three to 12 years. Costs incurred during the preliminary project stage and post-implementation stage, as well as maintenance and training costs, are expensed as incurred.

In 2023, the Corporation reviewed the estimated useful lives of property and equipment and determined that the actual lives of certain major moveable equipment and building component assets were longer than the original estimated useful lives used for depreciation purposes. As a result, effective January 1, 2023, Parkview changed its estimates of the useful lives of certain major moveable equipment and building component assets to better reflect the estimated periods during which these assets will remain in service. The estimated useful lives of land improvements that previously ranged from five to 25 years were increased to five to 80 years; the estimated useful lives of buildings that previously ranged from five to 40 years were increased to five to 70 years; and the estimated useful lives of equipment that previously ranged from three to 15 years were increased to seven to 16 years. The change in the estimated useful lives of assets is considered a change in accounting estimate under ASC 250, Accounting for Changes and Error Corrections. The effect of these changes was to decrease depreciation and amortization expense and increase excess (deficit) of revenues over expenses for the year ended December 31, 2023 by approximately $24,700.

Leases: Leases are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 842. Under ASC Topic 842, a lease is a contract, or part of a contract, that conveys the right to control the use of identified property, plant or equipment (i.e., an identified asset) for a period of time in exchange for consideration. The Corporation’s contracts determined to be or contain a lease include explicitly or implicitly identified assets where the Corporation has the right to substantially all of the economic benefits of the assets and has the ability to direct how and for what purpose the assets are used during the lease term. Leases are classified as either operating or financing. For operating leases, the Corporation has recognized a lease liability equal to the present value of the remaining lease payments, and a right of use (ROU) asset equal to the lease liability, subject to certain adjustments. The discount rate used by the Corporation is the rate implicit in the lease, if that rate is readily determinable. If that rate is not readily determinable, the Corporation elected to make an accounting policy election to use the risk-free rate as the discount rate.

The Corporation defines a short-term lease as any arrangement with a lease term 12 months or less that does not include an option to purchase the underlying asset. The Corporation has made an accounting policy election not to recognize ROU assets and lease liabilities for short-term leases, as a result, short-term lease payments are recognized as expense on a straight-line basis over the lease term and variable lease payments in the period in which the obligation is incurred. The Corporation has lease arrangements with lease and non-lease components and has elected to account for them separately.

Note 2. Significant Accounting Policies (Continued)

Goodwill: PH records goodwill arising from a business combination as the excess of purchase price over the fair value of identifiable tangible and intangible assets acquired and liabilities assumed. Management has determined that the Corporation is the reporting unit at which fair value is measured. PH annually reviews the carrying value of goodwill for impairment. In addition, a goodwill impairment assessment is performed if an event occurs or circumstances change that would make it more likely than not that the fair value of a reporting unit is below its carrying amount. If such circumstances suggest that the recorded amounts of goodwill cannot be recovered, the carrying value is reduced to fair value. If the carrying value of goodwill is impaired, a material charge may be incurred to results of operations. No goodwill impairment charge was required in 2023 or 2022.

Intangible assets: Costs allocated to customer relationships and other intangible assets as a result of a business combination are based on their fair value at the date of acquisition. The cost of intangible assets is amortized on a straight-line basis over the assets' estimated useful lives ranging from three to 20 years. Costs associated with the implementation of a cloud computing arrangement that is a service contract are capitalized and expensed over the life of the hosting agreement which is usually between three to five years. The amortization expense is reflected in the same consolidated financial statement lines as the expenses associated with the hosting element (service) fees of the arrangement. Intangible assets for cloud computing arrangements are recorded in prepaid expenses on the consolidated balance sheets.

Impairment: Property and equipment and amortizable intangible assets are reviewed for impairment whenever conditions indicate that the carrying amount may not be recoverable. In evaluating the recoverability of long-lived assets, such assets are grouped at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets. Such impairment tests compare estimated undiscounted cash flows to the recorded value of the asset. If an impairment is indicated, the asset is written down to its fair value, and a corresponding loss is recorded. No impairment was recorded in 2023 or 2022.

Unamortized bonds issuance cost and bond discount or premium: Costs incurred in connection with the issuance of long-term debt and bond discounts or premiums are amortized. The amortization approximates the effective interest rate method. Amortization is included in interest expense in the consolidated statements of operations and changes net assets (see Note 8).

Derivative financial instruments: As part of its debt management program, the Corporation has entered into several interest rate swap arrangements. Derivative instruments are recognized as either assets or liabilities in the consolidated balance sheets at fair value. The Corporation does not account for any of its interest rate swap agreements as hedges, and accordingly, changes in the fair value of interest rate swap agreements are recorded in the consolidated statements of operations and changes in net assets as nonoperating income (expense). Net settlement payments on interest rate swaps are included in interest and financing costs in the consolidated statements of operations and changes in net assets.

Note 2. Significant Accounting Policies (Continued)

Employee retirement benefit plans: PH offers a defined contribution plan entitled the Retirement Savings Plan and one of the plan features is the Retirement Contribution Plan. PH's contributions to the Retirement Contribution Plan are based upon years of benefit service. Contributions are calculated as a percentage of eligible pay. The Retirement Contribution Plan is provided to all employees with a hire or rehire date of January 1, 2005 or after. Active employees at December 31, 2004, were provided a one-time choice to remain in PH's defined benefit plan or freeze their defined benefit plan benefits and move to the employer-funded Choice Contribution Retirement Plan which is a defined contribution plan. The Choice Contribution Plan is also a feature of the Retirement Savings Plan. Definitions of eligibility, pay and benefit service under the defined benefit plan are the same as the defined contribution plan.

In addition to participation in the defined contribution plan and/or defined benefit plan, eligible employees are provided a voluntary opportunity to participate in a 403(b) or a 401(k) plan based upon the tax status of the employing corporation. The 403(b) and 401(k) plans have match provisions that are provided through the Retirement Savings Plans. Benefits for eligible employees are based on the employee's compensation.

Income taxes: The Internal Revenue Service (IRS) has determined that the Corporation and certain affiliated entities are tax-exempt organizations as defined in Section 501(c)(3) of the IRC. Certain subsidiaries of the Corporation are taxable entities, the tax expense and liabilities of which are not material to the consolidated financial statements.

The Corporation and its tax-exempt affiliated entities each file a Form 990 (Return of Organization Exempt from Income Tax) annually. When these returns are filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would ultimately be sustained. Examples of tax positions common to health systems include such matters as the tax-exempt status of each entity, the continued tax-exempt status of bonds, the nature, characterization and taxability of joint venture income and various positions relating to potential sources of unrelated business taxable income (reported on Form 990T). As of December 31, 2023 and 2022, there are no unrecognized tax benefits resulting from uncertain tax positions.

Forms 990 and 990T filed by the Corporation and its tax-exempt affiliated entities are subject to examination by the IRS up to three years from the extended due date of each return. Forms 990 and 990T filed by the Corporation and its tax-exempt affiliated entities are generally no longer subject to examination for the year 2019 and prior.

Performance indicator: Excess (deficit) of revenues over expenses as reflected in the accompanying consolidated statements of operations and changes in net assets includes operating income and nonoperating income and losses. Contributions of long-lived assets, pension-related changes other than net periodic pension cost, net assets released from restriction for acquisition of long-lived assets and distributions to noncontrolling interests are excluded from excess (deficit) of revenues over expenses.

Operating and nonoperating income (expense): Activities directly associated with the furtherance of PH's mission are considered operating activities. Other activities that result in gains or losses peripheral to PH's primary mission are considered to be nonoperating. Nonoperating activities include interest, dividends, and realized gains/losses on sales of investments; unrealized gains/losses on investments; unrealized gains/losses on interest rate swaps, contribution of net assets without donor restrictions from Community Hospital & Wellness Centers, Inc. and other.

Note 2. Significant Accounting Policies (Continued)

Net assets: The consolidated financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by donors as follows:

Net assets without donor restrictions: Net assets without donor restrictions are resources available to support operations. The only limits on the use of these assets are the broad limits resulting from the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of business.

Net assets with donor restrictions: Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the organization must continue to use the resources in accordance with the donor's instructions. The Corporation's unspent contributions are included in this class if the donor limited their use, as are its donor-restricted endowment funds.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the consolidated financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for the acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the Corporation, unless the donor provides more specific directions about the period of its use. Net assets released from restriction are reported in the accompanying consolidated statements of operations and changes in net assets as net assets released from restrictions and other revenue (if used for operating purposes) or other changes in net assets without donor restrictions (if used for the acquisition of long-lived assets).

Distributions to noncontrolling interests: Certain consolidated subsidiaries of PH have members who hold a noncontrolling ownership interest. Upon authorization of the Boards of those subsidiaries, cash available for distribution, or a portion thereof, arising from operations or other sources may be distributed to PH and the noncontrolling members ratably in accordance with the members' respective membership interests.

Concentration of credit risk: PH's concentration of credit risk relating to patient accounts receivable and related revenue is limited by the diversity and the number of the PH patients and payors. PH receives payments for services rendered from federal and state agencies (under the Medicare and Medicaid programs), managed care health plans, commercial insurance companies, employers, and patients. PH does not believe there are significant credit risks associated with these government agencies, or any other payor that would subject PH to any significant credit risks in the collection of patient accounts receivable. Changes in general economic conditions, revenue cycle operations, payor mix, payor claim processing, or federal or state governmental health care coverage could affect collection of patient accounts receivable, cash flows and results of operations.

(In Thousands)

Note 2. Significant Accounting Policies (Continued)

The collection of outstanding receivables from Medicare, Medicaid, managed care payors, other third-party payors, and patients represents a significant source of cash and is critical to operating performance. The primary collection risks relate to uninsured patient accounts, including patient accounts for which primary insurance carrier has paid the amounts covered by the applicable agreement, but patient responsibility amounts (deductibles and copayments) remain outstanding. Implicit price concessions relate primarily to amounts due directly from patients. Estimated implicit price concessions are based upon management's assessment of historical write-offs and expected net collections, business and economic conditions, trends in federal state and private employer health coverage and other collection indicators. These factors continuously change and can have an impact on collection trends and estimation processes.

Recent accounting pronouncement adopted: In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments,* which creates a new credit impairment standard for financial assets measured at amortized cost (including patient accounts receivable) to be presented at the net amount expected to be collected, through an allowance for credit losses that are expected to occur over the remaining life of the asset, rather than incurred losses. The ASU requires that credit losses on available-for-sale debt securities be presented as an allowance rather than as a direct write-down. The measurement of credit losses for newly recognized financial assets (other than certain purchased assets) and subsequent changes in the allowance for credit losses are recorded in the consolidated statement of operations and changes in net assets as the amounts expected to be collected change. The Corporation adopted ASU 2016-13 in the accompanying consolidated financial statements, without significant impact.

Note 3. Goodwill and Intangible Assets

The following table summarizes goodwill and other intangible assets as of and for the years ended December 31:

	2023	2022
Goodwill balance, beginning of year	$ 103,663	$ 101,329
(Write-offs) acquisitions	(135)	2,334
Goodwill balance, end of year	103,528	103,663
Intangible assets, beginning of year	1,231	3,185
Acquisitions	150	-
Amortization	(22)	(1,954)
Intangible assets, net, end of year	1,359	1,231
Goodwill and intangible assets, net	$ 104,887	$ 104,894

Amortization expense of $22 and $1,954 was recognized in 2023 and 2022, respectively, and is included in depreciation and amortization expense in the consolidated statements of operations and changes in net assets. Estimated future amortization of intangible asset will occur over the next five years.

Note 4. Assets Limited as to Use, Investments and Fair Value Measurement

ASC 820, Fair Value Measurement, defines fair value and establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement).

Certain of PH's financial assets and financial liabilities are measured at fair value on a recurring basis, including money market funds, fixed income and equity instruments and interest rate swap contracts. The three levels of the fair value hierarchy and a description of the valuation methodologies used for instruments measured at fair value are as follows:

Level 1. Quoted prices (unadjusted) in active markets for identical assets or liabilities as of the reporting date.

Level 2. Pricing inputs other than quoted prices included in Level 1 that are either directly observable or that can be derived or supported from observable data as of the reporting date.

The fair values of assets listed as Level 2 investments are determined with the assistance of the Corporation's custodian and are calculated from various observable inputs and other market data by a source contracted by the custodian. Funds not held by the custodian are reviewed by management for similarities with custodian-held assets and are assigned a comparable level. The fair values of the interest rate swap contracts are determined based on the present value of expected future cash flows using discount rates appropriate with the risks involved. The valuations reflect a credit spread adjustment to the Secured Overnight Financing Rate (SOFR) discount curve in order to reflect the credit value adjustment for nonperformance risk. The credit valuation adjustments for asset and liability position interest rate swap contracts are internally valued with the assistance of a third-party using other comparably rated entities' bonds priced in the market. Depending on the significance of the credit spread adjustment to the overall fair value of the interest rate swap, the instrument is included in Level 2 or Level 3. As of December 31, 2023, the credit valuation adjustment was $128 which is less than 5% of the fair value of the liabilities, which resulted in a change in classification from Level 3 as of December 31, 2022 to Level 2 as of December 31, 2023.

Level 3. Pricing inputs include those that are significant to the fair value of the financial asset or financial liability and are not observable from objective sources. In evaluating the significance of inputs, management generally classifies assets or liabilities as Level 3 when their fair value is determined using unobservable inputs that individually, or in the aggregate, represent more than 5% of the fair value of the assets or liabilities. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value based on assumptions about what market participants would use in pricing the asset or liability. PH transfers assets and liabilities in and/or out of Level 3 as significant inputs, including performance attributes, used for the fair value measurement become observable or unobservable. As of December 31, 2022 the credit valuation adjustment was $1,577 which is over 5% of the fair value of the liabilities, which resulted in a Level 3 classification.

(In Thousands)

Note 4. Assets Limited as to Use, Investments and Fair Value Measurement (Continued)

The fair value of financial assets and liabilities measured at fair value on a recurring basis was determined using the following inputs at December 31, 2023:

	2023			
	Total	Level 1	Level 2	Level 3
Assets				
Short-term investments:				
U.S. government and agency obligations	$ 5,373	$ 5,373	$ -	$ -
Corporate bonds	9,046	-	9,046	-
Mortgage and asset-backed securities	6,192	-	6,192	-
	20,611	$ 5,373	$ 15,238	$ -
Cash equivalents	296			
Total short-term investments	$ 20,907			
Investments:				
U.S. government and agency obligations	$ 45,843	$ 45,843	$ -	$ -
Municipal bonds	6,759	-	6,759	-
Corporate bonds	64,025	-	64,025	-
Commercial paper and certificates of deposit	254	-	254	-
Mortgage and asset-backed securities	71,887	-	71,887	-
Domestic equities (includes preferred stock)	256,940	256,940	-	-
International equities	93,965	72,690	21,275	-
Mutual funds:				
Equity type	350,672	350,672	-	-
Balanced type	25	25	-	-
Fixed income type	159,135	39,618	119,517	-
Total investments at fair value	1,049,505	$ 765,788	$ 283,717	$ -
Investments reported based on net asset value:				
Commingled funds	175,344			
Real estate investment trust	54,928			
Real estate investment fund	33,347			
Hedge funds	222,552			
Private equity	75,484			
Total investments reported at net asset value	561,655			
Cash equivalents	54,636			
Real estate held for investment	30,401			
Total investments assets	$ 1,696,197			
Deferred compensation plan (included in other assets on the consolidated balance sheets):				
Assets - mutual funds	$ 15,753	$ 15,753	$ -	$ -
Assets - guaranteed income fund	1,323	-	-	1,323
Interest rate swaps	4,705	-	4,705	-
	$ 21,781	$ 15,753	$ 4,705	$ 1,323
Liabilities				
Interest rate swaps	$ (25,123)	$ -	$ (25,123)	$ -

(In Thousands)

Note 4. Assets Limited as to Use, Investments and Fair Value Measurement (Continued)

The fair value of financial assets and liabilities measured at fair value on a recurring basis was determined using the following inputs at December 31, 2022:

	2022			
	Total	Level 1	Level 2	Level 3
Assets				
Short-term investments:				
U.S. government and agency obligations	$ 2,052	$ 2,052	$ -	$ -
Corporate bonds	10,444	-	10,444	-
Mortgage and asset-backed securities	6,904	-	6,904	-
	19,400	$ 2,052	$ 17,348	$ -
Cash equivalents	532			
Total short-term investments	$ 19,932			
Investments:				
U.S. government and agency obligations	$ 49,575	$ 49,575	$ -	$ -
Foreign government and agency obligations	13,706	-	13,706	-
Municipal bonds	6,577	-	6,577	-
Corporate bonds	129,619	-	129,619	-
Commercial paper and certificates of deposit	10,192	-	10,192	-
Contracts and swaps	3,089	-	3,089	-
Mortgage and asset-backed securities	126,428	-	126,428	-
Domestic equities (includes preferred stock)	206,224	206,224	-	-
International equities	75,762	59,003	16,759	-
Mutual funds:				
Equity type	291,797	291,797	-	-
Balanced type	22	22	-	-
Fixed income type	150,964	38,167	112,797	-
Total investments at fair value	1,063,955	$ 644,788	$ 419,167	$ -
Investments reported based on net asset value:				
Commingled funds	174,248			
Real estate investment trust	64,918			
Real estate investment fund	37,732			
Hedge funds	224,170			
Private equity	63,872			
Total investments reported at net asset value	564,940			
Cash equivalents	13,331			
Real estate held for investment	33,149			
Total investments assets	$ 1,675,375			
Deferred compensation plan (included in other assets on the consolidated balance sheets):				
Assets - mutual funds	$ 14,560	$ 14,560	$ -	$ -
Assets - guaranteed income fund	1,322	-	-	1,322
	$ 15,882	$ 14,560	$ -	$ 1,322
Liabilities				
Interest rate swaps	$ (29,926)	$ -	$ -	$ (29,926)

Note 4. Assets Limited as to Use, Investments and Fair Value Measurement (Continued)

International and domestic equity securities, including preferred stocks and equity mutual funds, expose PH to market risk, performance risk and liquidity risk. Market risk is the risk associated with major movements of the equity markets, both foreign and domestic. Performance risk is the risk associated with a particular company's operating performance. Liquidity risk, as previously defined, tends to be higher for international equities and small capitalization equity companies.

Fixed income securities expose PH to interest rate risk, credit risk and liquidity risk. As interest rates change, the value of many fixed income securities is affected, particularly those with fixed interest rates. Credit risk is the risk that the obligor of the security will not fulfill its obligation. Liquidity risk is affected by the willingness of market participants to buy and sell given securities. These fixed income securities are largely invested in U.S. government and agency obligations, foreign government and agency obligations, municipal and corporate bonds, mortgage and asset- backed securities, contracts, commercial paper, certificates of deposit and fixed income mutual funds.

Limited partnership interests in hedge and private equity expose PH to market, performance and liquidity risk. Hedge and private equity funds are not necessarily readily marketable. The funds often employ complex strategies, including short sales on securities and trading on futures contracts, options, foreign currency contracts, other derivative instruments and private equity investments and the composition of the individual investments within these funds is not readily determinable. These investments are not publicly traded, and the NAV is based upon information provided by the fund manager. The hedge funds have restrictions on the timing of withdrawals ranging from one month to up to three years, which may reduce liquidity. The private equity funds have restrictions on the timing of withdrawals, generally ranging from five to 10 years, which may reduce liquidity. There were approximately $109,705 in commitments for the purchase of additional hedge and private equity funds as of December 31, 2023.

Real estate investments include open-end core funds that invest in primarily office, retail, multifamily and industrial sectors of the private real estate market. These may include participating mortgages and wholly owned real estate investments. The real estate investments are generally redeemable quarterly with a 90-day notice period. As of December 31, 2023, there were no commitments for the purchase of additional real estate investments.

Commingled investments include funds invested in highly liquid asset categories such as Treasury Inflation-Protected Securities (TIPS) commodities and precious metals. Commingled funds are also used as a temporary investment of funds committed to alternative investments but not yet invested. As of December 31, 2023, there were no commitments for the purchase of additional commingled funds. Commingled funds have monthly liquidity and no lockup period.

PH holds real estate for investment purposes of $30,401 and $33,149 as of December 31, 2023, and 2022, respectively, which is accounted for at cost and assessed for impairment when indicators exist. The real estate is written down to fair value as estimated by third-party valuation experts when impairment exists with losses recorded in realized gains (losses) on investments in the consolidated statements of operations and changes in net assets. These investments present a concentration of risk, as they are held within the same geographic region, northeast Indiana.

(In Thousands)

Note 4. Assets Limited as to Use, Investments and Fair Value Measurement (Continued)

Composition: The composition of investment return recognized in the consolidated statements of operations and changes in net assets and its presentation are as follows:

	2023	2022
Investment return:		
Unrealized gain (loss) on investments, net	$ 141,948	$ (248,750)
Dividend and interest income	33,429	23,896
Net realized (loss) gains on the sale of investments	(11,875)	5,412
Total investment return	$ 163,502	$ (219,442)
Presentation:		
Other revenue	$ 2,075	$ (2,556)
Net assets with donor restrictions – investment gain (loss)	859	(769)
Interest, dividends and realized gains on sales of investments, net	21,241	28,875
Unrealized gains (losses) on investments, net	139,327	(244,992)
Total investment return	$ 163,502	$ (219,442)

Note 5. Patient Care Service Revenue and Accounts Receivable

Patient care service revenue is reported at the amount that reflects the consideration to which the Corporation expects to be entitled in exchange for providing patient care. These amounts, representing the transaction price, are due from patients, third-party payers (including health insurers and government programs), and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews and investigations. Generally, the Corporation bills the patients and third-party payers several days after the services are performed and/or the patient is discharged from the facility. Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by the Corporation. Substantially all of the Corporation's patient care service revenue relates to performance obligations satisfied over time and is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Corporation believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. For patients in the Corporation's hospitals receiving inpatient acute care services the Corporation measures the performance obligation from admission into the hospital to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge. For most outpatient and physician services, the patient simultaneously receives and consumes the benefits of the services as the services are provided.

Because all of its performance obligations relate to contracts with a duration of less than one year, the Corporation has elected to apply the optional exemption provided in FASB ASC 606-10-50-14(a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The unsatisfied or partially unsatisfied performance obligations referred to above are primarily related to inpatient acute care services at the end of the reporting period. The performance obligations for these contracts are generally completed when the patients are discharged, which generally occurs within days or weeks of the end of the reporting period.

Note 5. Patient Care Service Revenue and Accounts Receivable (Continued)

The Corporation determines the transaction price based on standard charges for goods and services provided to patients, reduced by contractual adjustments provided to third-party payers, discounts provided to uninsured patients in accordance with the Corporation's policy and/or implicit price concessions based on historical collection experience.

Agreements with third-party payers typically provide for payments at amounts less than established charges. A summary of the payment arrangements with major third-party payers follows:

Medicare: Certain inpatient acute care services are paid at prospectively determined rates per discharge based on clinical, diagnostic and other factors. Certain services are paid based on cost-reimbursement methodologies subject to certain limits. Physician services are paid based upon established fee schedules. Outpatient services are paid using prospectively determined rates.

Medicaid: Medicaid services are generally paid at prospectively determined rates per discharge, per occasion of service, or per covered member.

Other: Payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations provide for payment using prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates.

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. As a result of investigations by governmental agencies, various health care organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in organizations entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation, as well as significant regulatory action, including fines, penalties and potential exclusion from the related programs. There can be no assurance that regulatory authorities will not challenge the Corporation's compliance with these laws and regulations, and it is not possible to determine the impact (if any) such claims or penalties would have upon the Corporation. In addition, the contracts the Corporation has with commercial payers also provide for retroactive audit and review of claims.

Generally, patients who are covered by third-party payers are responsible for related deductibles and coinsurance, which vary in amount. The Corporation also provides services to uninsured patients, and offers those uninsured patients a discount, either by policy or law, from standard charges. The Corporation estimates the transaction price for patients with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient care service revenue in the period of the change.

Settlements with third-party payers for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payer, correspondence from the payer, and the Corporation's historical settlement activity, including an assessment to ensure it is probable a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews and investigations.

Note 5. Patient Care Service Revenue and Accounts Receivable (Continued)

Patients who meet the Corporation's criteria for charity care are provided care without charge or at amounts less than established rates. Such amounts determined to qualify as charity care are not reported as revenue.

The Corporation's estimated costs (based on selected operating expenses, which include salaries, wages and benefits, supplies and other operating expenses and which exclude the costs of the Corporation's health plan) of caring for its charity care patients were $30,889 and $24,140 during the years ended December 31, 2023 and 2022, respectively.

For the years ended December 31, 2023 and 2022, changes in estimated transaction price for performance obligations satisfied in prior years related to Medicaid DSH and other supplemental revenues, increased patient service revenue by $35,833 and $24,314, respectively. For the year ended December 31, 2023 this amount included 340b reimbursements.

For the years ended December 31, 2023 and 2022, changes in estimated transaction price for performance obligations satisfied in prior years related to various third-party insurance payors increased other revenue by approximately $0 and $12,500, respectively.

At December 31, 2023 and 2022, the Corporation had approximately $9,819 and $45,893 of payables recorded in estimated third-party payer settlements in the accompanying consolidated balance sheets related to Indiana's Hospital Assessment Fee (HAF) program, respectively. The inpatient HAF is based on inpatient days for the Corporation's hospital facilities, patient days subject to the HAF for all hospital systems in the State as a ratio of the total inpatient assessment. The outpatient HAF is based on total outpatient revenue, average inpatient charges per day and outpatient days in the State as a ratio of the total outpatient assessment.

Medicare and Medicaid revenue accounted for approximately 47% and 45%, respectively, of patient service revenue (net of explicit price concessions, contractual allowances and discounts) for the years ended December 31, 2023 and 2022. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. The Corporation believes that it is in substantial compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of wrongdoing. While no such regulatory inquiries have been made, compliance with health care industry laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action, including fines, penalties, and exclusion from the Medicare and Medicaid programs. As a result, there is at least a reasonable possibility that recorded estimated settlements could change. It is also reasonably possible that recorded settlements could change by a material amount in the near term. PH received Medicare and Medicaid settlements and resolutions on prior year filed and appealed cost reports and other matters, which increased patient care service revenue by $2,871 and $3,774 in 2023 and 2022, respectively.

The Corporation's principal hospital agreement with Anthem became effective on January 1, 2022 (Hospital Agreement). At December 31, 2023 and 2022, Anthem represented 16% and 20%, respectively, of patient accounts receivable. For the years ended December 31, 2023 and 2022, Anthem represented 23% and 25%, respectively, of patient care service revenue.

(In Thousands)

Note 5. Patient Care Service Revenue and Accounts Receivable (Continued)

Hospital revenue includes a variety of services mainly covering inpatient procedures requiring overnight stays or outpatient operations that require anesthesia or use of complex diagnostic and surgical equipment, as well as emergency care for traumas and other critical conditions. Physician revenue includes services primarily focused on the care of outpatients covering primary and specialty healthcare needs.

The composition of patient care service revenue based on the urban and rural areas the Corporation operates in, and its hospital and physician lines of business, for the years ended December 31, are as follows:

	2023		
	Urban	Rural	Total
Hospital patient care service revenue:			
Inpatient	$ 840,532	$ 74,369	$ 914,901
Outpatient	1,093,864	269,254	1,363,118
Physician patient care service revenue	247,448	78,743	326,191
Total patient care service revenue	$ 2,181,844	$ 422,366	$ 2,604,210

	2022		
	Urban	Rural	Total
Hospital patient care service revenue:			
Inpatient	$ 846,215	$ 69,968	$ 916,183
Outpatient	1,014,202	219,926	1,234,128
Physician patient care service revenue	231,816	74,919	306,735
Total patient care service revenue	$ 2,092,233	$ 364,813	$ 2,457,046

Components of patient accounts receivable, at December 31, 2023 and 2022, include Medicare, 30% and 25%, Medicaid, 11% and 12%, commercial insurers, 51% and 57% and other, 8% and 6%, respectively.

The Corporation's practice is to assign a patient to the primary payer and not reflect other uninsured balances (for example, copays and deductibles) as self-pay. Therefore, the payers listed above contain patient responsibility components, such as co-pays and deductibles.

The Corporation has elected the practical expedient allowed under FASB ASC 606-10-32-18 and does not adjust the promised amount of consideration from patients and third-party payers for the effects of a significant financing component due to the Corporation's expectation that the period between the time the service is provided to a patient and the time that the patient or a third-party payer pays for that service will be one year or less. However, the Corporation does, in certain instances, enter into payment agreements with patients that allow payments in excess of one year. For those cases, the financing component is not deemed to be significant to the contract.

(In Thousands)

Note 6. Liquidity and Availability

As of December 31, 2023 and 2022, the Corporation has a working capital surplus of $274,400 and $153,539 and average days cash on hand of 255 and 274, respectively. Financial assets available for general expenditure within one year of the consolidated balance sheet date, consist of the following:

	2023	2022
Cash and cash equivalents	$ 175,897	$ 192,930
Short-term investments	20,907	19,932
Patient accounts receivable	368,668	356,019
Third-party payer settlements	20,001	-
Assets limited as to use and investments	1,503,248	1,522,332
	$ 2,088,721	$ 2,091,213

As part of the Corporation's liquidity management plan, cash in excess of daily requirements are invested in short-term investments and money market funds. At December 31, 2023 and 2022, the Corporation maintained two lines of credit totaling $150,000 with the option to increase to a total of $200,000. Amounts drawn as of December 31, 2023 and 2022 were $0 and $50,000, respectively.

Note 7. Property and Equipment

The cost of property and equipment consists of the following:

	2023	2022
Land and improvements	$ 176,452	$ 171,241
Buildings	1,331,011	1,259,683
Equipment	957,461	909,851
Construction in progress and items not yet placed into service	120,820	94,495
	$ 2,585,744	$ 2,435,270

The cost of commitments to complete construction-in-progress projects is estimated to be $2,978 at December 31, 2023. Depreciation expense recorded in the consolidated statements of operations and changes in net assets was $85,895 and $107,289 in 2023 and 2022, respectively. See Note 2 regarding a change in estimated useful lives made effective January 1, 2023.

Amortization expense on leasehold improvements recorded in the consolidated statements of operations and changes in net assets was $5,667 and $5,933 in 2023 and 2022, respectively. Amortization expense on other intangibles recorded in the consolidated statements of operations and changes in net assets was $22 and $1,954 in 2023 and 2022, respectively.

(In Thousands)

Note 8. Long-Term Debt

Long-term debt consists principally of tax-exempt bonds as follows:

	Interest Rate as of December 31, 2023	2023	2022
Tax-exempt, variable rate bonds:			
Series 2018C due through 2039 (defeased in 2023)	n/a	$ -	$ 29,595
Series 2016B due through 2046	5.06%	48,605	50,250
Series 2009BCD due through 2039	4.23%	221,705	221,705
Series 2007 due through 2032	3.83%	12,125	13,205
Tax-exempt, fixed rate serial and term bonds:			
Series 2023A due through 2039	4.04%	28,500	-
Series 2023B due through 2054	4.44%	55,000	-
Series 2022A due through 2029	1.36%	38,820	49,475
Series 2019A due through 2030	3.01%	13,130	15,040
Series 2018A due through 2048	4.19%	82,015	82,015
Series 2018B due through 2033	4.89%	33,035	33,035
Series 2017A due through 2030	2.30%	59,545	70,080
Series 2016A due through 2041	3.20%	20,405	21,235
Taxable, fixed rate serial and term bonds:			
Series 2020A due through 2050	3.48%	100,000	100,000
Various notes to banks	Various	28,102	42,721
Other	Various	7,486	7,473
		748,473	735,829
Unamortized original issue premium, net		4,992	7,324
Unamortized deferred financing costs, net		(3,248)	(3,609)
		750,217	739,544
Less current portion		31,459	31,568
		$ 718,758	$ 707,976

Following are the scheduled maturities and mandatory redemptions of long-term debt, assuming successful remarketing of variable rate bonds, and renewal of letter of credit agreements, as discussed below. If the variable rate bonds are not successfully remarketed and the letter of credit agreements are not renewed or drawn on, the annual maturities shown below may be materially different.

Year ending December 31:	
2024	$ 31,459
2025	33,208
2026	32,339
2027	25,591
2028	20,536
Thereafter	605,340
	$ 748,473

Total interest paid was $32,663 and $23,777 in 2023 and 2022, respectively. Interest cost of $2,752 and $669 in 2023 and 2022, respectively, was capitalized as part of the cost of construction.

Note 8. Long-Term Debt (Continued)

Obligations through use of Master Indenture: PH and PVH have issued taxable and tax-exempt revenue, revenue refunding, private placement, auction revenue, and variable rate demand bonds through the use of a Master Indenture, as amended and supplemented. The various agreements require PH and PVH not to incur indebtedness secured by an encumbrance and not to mortgage certain facilities except under certain circumstances. The agreements require the maintenance of debt service coverage ratios and contain certain other restrictive covenants.

On May 1, 2023, PH completed the execution of the forward delivery of the November 17, 2022 issue. This was a $29,595 fixed rate, tax-exempt revenue bond (the Series 2023A) using the Master Indenture and through the Indiana Finance Authority as a private-placement bond. The proceeds of the bond were used to defease the Series 2018C bonds. Interest on the Series 2023A Bonds is paid semimonthly. The Series 2023A Bonds mature through November 2039.

On October 1, 2023, PH and PVH issued a $55,000 fixed rate, tax-exempt revenue bond (the Series 2023B) using the Master Indenture and through the Indiana Finance Authority as a private-placement bond. The proceeds of the bond and certain other funds will be used to finance the acquisition, construction, renovation and/or equipping various facilities of PHS or its affiliates including but not limited to projects located at PH’s Fort Wayne campus (the North OR lab), the Parkview Warsaw campus (the family birthing center, Parkview Kosciusko Hospital) and the Parkview Southwest Campus (collectively, the Project), or purchase, finance, or re-finance such other properties of PH and its affiliates. Interest on the Series 2023B Bonds is paid semiannually. The Series 2023B Bonds mature through November 2054.

On May 1, 2022, PH completed the execution of the forward delivery of the June 10, 2021 issue. This was a $49,475 fixed rate, tax-exempt revenue bond (the Series 2022A) using the Master Indenture and through the Indiana Finance Authority as a private-placement bond. The proceeds of the bond were used to defease the Series 2012A bonds. Interest on the Series 2022A Bonds is paid monthly. The Series 2022A Bonds mature through May 1, 2029.

On February 4, 2020, PH and PVH issued $100,000 of fixed rate taxable corporate bonds (the Series 2020A Bonds) using the Master Indenture. The proceeds of the bonds and certain other funds will be used to finance construction, renovation, equipment and furnishings for the Parkview Kosciusko Hospital project and the Parkview Southwest project. Interest on the Series 2020A Bonds is paid semiannually. The Series 2020A Bonds mature through November 2050.

On April 24, 2019, PH issued a $30,500 variable rate, taxable term loan using the Master Indenture. The proceeds of the term loan were used to refinance three medical office building loans on the PRMC campus as well as pay off the tax-exempt bond held by Park Center, Inc. Interest on the term loan is paid monthly. The term loan matures on November 1, 2033.

On February 1, 2019, PH completed the execution of the forward delivery of the November 1, 2018 issue. This was a $22,120 fixed rate, tax-exempt revenue bond (the Series 2019A) using the Master Indenture and through the Indiana Finance Authority. The proceeds of the bond were used to defease the Series 2009A bonds. Interest on the Series 2019A Bonds is paid semiannually. The Series 2019A Bonds mature through November of 2030.

Note 8. Long-Term Debt (Continued)

On February 1, 2018, PH issued a $16,200 variable rate, taxable term loan using the Master Indenture. The proceeds of the term loan and certain other funds were used to finance the purchase of an existing medical office building. Interest on the term loan is paid monthly. The term loan matures in February 2028. On June 5, 2023 PH paid off the term loan in full.

On November 1, 2018, PH and PVH issued $82,015 of fixed rate tax-exempt revenue bonds (the Series 2018A Bonds) using the Master Indenture and through the Indiana Finance Authority. The proceeds of the bonds and certain other funds were being used to finance construction, renovation, equipment and furnishings for the Inpatient Capacity project. Interest on the Series 2018A Bonds is paid semiannually. The Series 2018A Bonds mature through November 2048.

On November 1, 2018, PH and PVH issued $33,035 of fixed rate taxable revenue bonds (the Series 2018B Bonds) using the Master Indenture and through the Indiana Finance Authority. The proceeds of the bonds and certain other funds were being used to finance construction, renovation, equipment and furnishings for the Inpatient Capacity project. Interest on the Series 2018B Bonds is paid semiannually. The Series 2018B Bonds mature through November 2033.

On November 1, 2018, PH issued $32,710 of variable rate tax-exempt revenue bonds (the Series 2018C Bonds) using the Master Indenture and through the Indiana Finance Authority. The proceeds of the bonds were used to refund all of the outstanding Indiana Finance Authority Series 2016C Bonds and to finance construction, renovation, equipment and furnishings for various facilities. Interest on the Series 2018C Bonds is paid monthly. On November 17, 2022, a May 1, 2023 forward delivery was executed for refunding of all the outstanding Series 2018C Bonds with the proceeds of $29,595 of fixed rate tax exempt revenue bonds (Series 2023A Bonds) and other funds.

On August 10, 2017, PH and PVH issued $110,630 of fixed rate tax-exempt revenue bonds (the Series 2017A Bonds) using the Master Indenture and through the Indiana Finance Authority. The proceeds of the bonds were used to legally defease all but $26,650 of the Series 2009A Bonds and pay for financing costs. Interest on the Series 2017A Bonds is paid semiannually. The Series 2017A Bonds mature through November 2030.

On August 17, 2016, PWB issued $25,000 of fixed rate tax-exempt private placement bonds (the Series 2016A Bonds) using the Master Indenture and through the Indiana Finance Authority. The proceeds of the bonds and certain other funds were used to finance construction and furnishings of the new Parkview Wabash Hospital facility. Interest on the Series 2016A Bonds is paid semiannually. The bonds mature in November 2041.

On August 17, 2016, PH issued variable rate, tax exempt private placement bonds (the Series 2016B Bonds) using the Master Indenture and through the Indiana Finance Authority. A total of $58,000 is available under this facility. The proceeds of the bonds and certain other funds were used to finance construction and furnishings of the Parkview Cancer Institute on the PRMC campus. Interest on the Series 2016B Bonds is paid monthly. The bonds mature in November 2046, but contain a ten-year put option that expires in August 2026.

Note 8. Long-Term Debt (Continued)

In August 2009, PH and PVH issued $265,530 of fixed rate, tax-exempt revenue bonds (the Series 2009A Bonds) and $223,665 of variable rate, tax-exempt revenue bonds (the Series 2009B Bonds, the Series 2009C Bonds, and the Series 2009D Bonds) using the Master Indenture and through the Indiana Finance Authority. The proceeds of the bonds were used to refund all but $19,425 of the outstanding Indiana Health Facility Financing Authority Revenue Bonds, Series 2001A, 2001B, and 2001C (collectively, the Series 2001 Bonds); refund all of the outstanding Indiana Health and Educational Facility Financing Authority Revenue Bonds, Series 2005A and 2005B (collectively, the Series 2005 Bonds); pay certain costs related to the termination of a portion of swaps related to the Series 2001 Bonds; pay costs of issuance and costs of refunding; and finance, refinance, or reimburse certain costs for capital expenditures at the PVH facilities. Interest on the Series 2009A Bonds is paid semiannually. The Series 2009C Bonds bear interest weekly, 2009BD Bonds bear interest daily, and interest is paid monthly for 2009BCD Bonds. The Series 2009A Bonds mature through May 2031. The Series 2009BCD Bonds mature through November 2039. On November 1, 2018, a February 1, 2019, forward delivery was executed for refunding of all the outstanding Series 2009A Bonds with the proceeds of $22,120 of fixed rate tax exempt revenue bonds (Series 2019A Bonds) and other funds.

PH entered into four direct-pay Letter of Credit agreements (the LOCs) issued by PNC Bank (Series 2007 Bonds), Sumitomo Mitsui Banking Corporation (Series 2009B and 2009C Bonds), and TD Bank (Series 2009D Bonds) to enhance the marketability of the bonds. Under the terms of the 2007 and 2009C LOCs, if the bonds are not successfully remarketed and thereby purchased by the banks, the principal maturities of the bonds purchased are accelerated over the subsequent three-year period commencing at least one year and one day from the draw on the LOC. Under the terms of the 2009B and 2009D LOCs, if the bonds are not successfully remarketed and thereby purchased by the bank, the principal maturities of the bonds purchased are accelerated over the subsequent three-year period from the draw on the LOC. PH would pay a defined rate, based on a formula in the agreements, at a minimum rate of 8%. The current Series 2007 LOC expires December 2026; Series 2009B, and 2009D LOCs expire January 2028; and the 2009C LOC expires in June 2026. At December 31, 2023, all bonds had been successfully remarketed.

On March 15, 2007, PLH issued $24,930 of adjustable rate, tax-exempt revenue bonds (the Series 2007 Bonds). These bonds were issued through the Indiana Health and Education Facility Financing Authority. The proceeds of the Series 2007 Bonds and certain other funds of PLH were used to finance the construction and furnishing of a new hospital facility and to pay financing costs. The Series 2007 Bonds bear interest at a weekly rate and interest is paid monthly. The Series 2007 Bonds mature through November 2032.

NMTC financing: In December 2014, PH entered into a New Markets Tax Credit (NMTC) financing transaction to fund a portion of the construction of a new medical complex in Warsaw, Indiana. The complex is reported as part of PWH. The NMTC structure included PH, as a leveraged lender, and a tax credit investor formed for purposes of this transaction. As part of this structure, PH made a $6,894 leveraged loan to an investment fund where, when coupled with a capital contribution from another party and after deducting certain fees, two loans were made to PWH for a combined $9,700. The notes on these loans bore interest of 1% and mature in 2044. Interest-only payments were made during the first seven years of the notes. This transaction included a put/call provision that becomes effective at the end of the seven-year compliance/recapture period by which the structure is unwound and all loans and obligations will be satisfied. In January 2022, Corporation completed the unwinding of the NMTC project upon expiration of the seven-year compliance/recapture period and the Corporation recognized a gain on the unwind of $2,807 which is included in other revenue in the consolidated statement of operations and changes in net assets.

Note 8. Long-Term Debt (Continued)

Debt guarantees: At December 31, 2023 and 2022, the Corporation had guaranteed approximately $1,823 and $1,237, respectively, of certain outstanding debt obligations of unconsolidated entities. If the unconsolidated entities default on their debt obligation, the Corporation would then be responsible for the obligation, net of collateral. At December 31, 2023 and 2022, the Corporation has no amounts accrued related to these guarantees.

Obligated group and Credit group: The Obligated Group, as defined in the Amended and Restated Master Trust Indenture between Parkview Health System, Inc.; Parkview Hospital, Inc.; and certain other entities referred to herein as members of the Obligated Group and U.S. Bank Trust Company, National Association (successor to National City Bank of Indiana), as Master Trustee, dated as of November 1, 1998, consists of Parkview Health System, Inc.; Parkview Hospital, Inc.; and any other Obligated Group Affiliate that has fulfilled the requirements for entry into the Obligated Group. Parkview Hospital, Inc. includes Parkview Regional Medical Center and the accounts and activities of Parkview Hospital Randallia, Parkview Behavioral Health and Parkview Home Health and Hospice. Parkview Professional Programs, Inc. is a wholly owned subsidiary of Parkview Hospital, Inc. Included with Parkview Health System, Inc. are the entities of Parkview Physicians Group; Midwest Community Health Associates, Inc.; Parkview Care Partners LLC; Parkview Strategic Enterprises LLC.; Foundation Surgery Affiliates of Fort Wayne, LLC; and the joint venture of Orthopaedic Hospital at Parkview North, LLC and its wholly owned subsidiaries of Parkview Ortho Center, LLC.

On July 20, 2011, the Community Hospital of LaGrange County, Inc. became a designated affiliate of the Obligated Group. On August 17, 2016, Parkview Wabash Hospital, Inc. became a designated affiliate of the Obligated Group. The Credit Group consists of the Obligated Group members (Parkview Health System, Inc. and Parkview Hospital, Inc.) and the designated affiliates (the Community Hospital of LaGrange County, Inc. and Parkview Wabash Hospital, Inc.).

Note 9. Revolving Credit Facilities

During the years ended December 31, 2023 and 2022, PH entered into multiple revolving credit facility agreements with multiple financial institutions in an aggregate principal amount totaling $150,000 and $150,000 (with the option to increase to total $200,000), respectively. The revolving credit facility agreements bear interest at the Secured Overnight Financing Rate (SOFR) (5.4% at December 31, 2023) plus a credit spread adjustment. The revolving credit agreements are secured by PH’s Master Indenture. The 2023 revolving credit facility agreements mature between May 28 and June 3, 2024, unless extended by the banks pursuant to any modification, extension or renewal note executed by the Obligated Group. Outstanding borrowings as of December 31, 2023 and 2022, were $0 and $50,000, respectively.

Note 10. Interest Rate Swaps and Other Derivatives

PH uses a combination of interest rate swap agreements with the objective to mitigate the impact interest rate fluctuations have on its interest payments. PH uses rate-lock, fixed payor, fixed spread basis, and forward fixed payor contracts entered into with various third parties. Interest rate swap contracts between PH and a third-party (counterparty) provide for the periodic exchange of payments between the parties based on changes in a defined index and a fixed rate and include counterparty credit risk. This is the risk that contractual obligations of the counterparties will not be fulfilled. Concentrations of credit risk relate to groups of counterparties that have similar economic or industry characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. Counterparty credit risk is managed by requiring high credit standards for PH’s counterparties. The counterparties to these contracts are financial institutions that carry investment-grade credit ratings.

(In Thousands)

Note 10. Interest Rate Swaps and Other Derivatives (Continued)

The interest rate swap contracts contain collateral provisions applicable to both parties to mitigate credit risk. PH does not anticipate nonperformance by its counterparties. The interest rate swap agreements require PH to post collateral if the liability balance, depending on the counterparty, is greater than $15,000 to $30,750. No collateral was required to be posted by PH at December 31, 2023 and 2022. PH's policy is to present the collateral on a gross basis in the consolidated balance sheets.

In 2021, PH elected the optional expedient for instruments accounted for as derivative instruments in accordance with FASB ASC 815-10, modified due to the adoption of ASU 2020-04, *Reference Rate Reform*. By applying the optional expedient, the modified instruments are accounted for and presented in the same manner as the instruments existing before the modification. Due to existing swap agreements utilizing London Interbank Offered Rate index rates, on November 4, 2021, PH submitted an adherence letter to the International Swaps and Derivatives Association, Inc. (ISDA) to confirm adherence to the IDSA 2020 IBOR fallbacks protocol as published by the ISDA on October 23, 2020.

The following table is a summary of the outstanding positions under these interest rate swap agreements at December 31:

Expiration Date	PH Pays	PH Receives	Notional Amount 2023	Notional Amount 2022
2031	3.65% - 3.71%(1)	67.0% of one-month SOFR + 0.0767% margin	$ 24,500	$ 24,750
2028	3.26% (1)	62.4% of one-month SOFR + 0.3614% margin	33,285	39,265
2033	3.49%(1)	62.4% of ten-year SOFR + 0.1262% margin	82,600	85,700
2045	BMA/SIFMA Index(3)	80% of one-month SOFR + 0.55%	120,000	120,000
2037	3.81%(2)	61.8% of one-month SOFR + 0.3807% margin	144,100	144,185
2025	BMA/SIFMA Index(3)	68% of ten-year SOFR + 0.4029%-0.4099% margin	120,000	120,000
			$ 524,485	$ 533,900

(1) The objective of these four interest rate swaps is to mitigate interest rate fluctuations and synthetically fix certain variable rate exposure.

(2) The objective of these two interest rate swaps is to mitigate interest rate fluctuations and synthetically fix certain variable rate exposure.

(3) The objective of these three interest rate swaps is to take advantage of yield curve differences and mitigate risk on future bond offerings. These interest rate swaps are not associated with outstanding debt.

(In Thousands)

Note 10. Interest Rate Swaps and Other Derivatives (Continued)

The fair value of derivative instruments is as follows:

Derivatives Not Designated as Hedging Instruments	Balance Sheet Classification	December 31, 2023	December 31, 2022
Interest rate swap agreements	Interest rate swaps (Other assets)	$ 4,705	$ -
Interest rate swap agreements	Interest rate swaps (Noncurrent liabilities)	(25,123)	(29,926)
		$ (20,418)	$ (29,926)

The effects of derivative instruments on the consolidated statements of operations and changes in net assets are as follows:

Derivatives Not Designated as Hedging Instruments	Location of Gain (Loss) on Derivatives Recognized in Excess of Revenue Over Expenses	Amount of Gain (Loss) on Derivatives Recognized in Excess of Revenue Over Expenses December 31, 2023	2022
Interest rate swap agreements - unrealized gains	Unrealized gains on interest rate swaps, net	$ 9,507	$ 39,905
Interest rate swap agreements - settlement payments	Interest and financing costs	(1,800)	(5,351)
		$ 7,707	$ 34,554

Interest rate swap settlement payments, net were $2,007 and $5,507 in 2023 and 2022, respectively, of which $207 and $156 was capitalized as part of the cost of construction in 2023 and 2022, respectively.

Note 11. Pension Plans

Defined benefit pension plan: The Corporation sponsors a noncontributory defined benefit pension plan (the Plan) covering eligible employees employed prior to January 2005. Plan benefits are based on years of benefit service and an employee's compensation during a consecutive five-year term of employment within the 10 years prior to benefit determination. Participants who elected to continue participation in this plan after January 1, 2005, continue to accrue benefits. This plan is frozen to new participants after December 31, 2004.

(In Thousands)

Note 11. Pension Plans (Continued)

The following table sets forth the changes in projected benefit obligation and changes in Plan assets for the years ended December 31 and the funded status of the Plan and accrued pension obligation as of December 31 as actuarially determined:

	2023	2022
Change in projected benefit obligation:		
Projected benefit obligation at beginning of year	$ 435,374	$ 596,473
Service cost	4,769	8,180
Interest cost	23,055	17,307
Actuarial loss (gain)	21,301	(163,225)
Benefits paid	(24,775)	(23,361)
Projected benefit obligation at end of year	459,724	435,374
Change in Plan assets:		
Plan assets at fair value at beginning of year	388,772	473,513
Actual return on plan assets	35,791	(69,080)
Employer contributions	7,000	7,700
Benefits paid	(24,775)	(23,361)
Plan assets at fair value at end of year	406,788	388,772
Funded status of the Plan (recognized as accrued pension obligations)	$ (52,936)	$ (46,602)

Items included in unrestricted net assets that have not yet been recognized as a component of net periodic pension cost at December 31 are as follows:

	2023	2022
Unrecognized net actuarial loss	$ 106,702	$ 91,324

Changes in Plan assets and benefit obligation recognized in unrestricted net assets during the years ended December 31 include the following:

	2023	2022
Current year actuarial (loss) gain	$ (15,378)	$ 63,335
Current year amortization of actuarial loss	-	13,006
	$ (15,378)	$ 76,341

(In Thousands)

Note 11. Pension Plans (Continued)

The components for net periodic benefit cost for the years ended December 31 consists of the following:

	2023	2022
Service cost	$ 4,769	$ 8,180
Interest cost	23,055	17,307
Expected return on Plan assets	(29,868)	(30,810)
Amortization of unrecognized net loss	-	13,006
Net periodic benefit cost	$ (2,044)	$ 7,683

The service cost component is included in salaries and benefits expense and the nonservice cost components of net periodic benefit cost are reflected within the nonoperating income (expense) section of the consolidated statements operations and changes in net assets.

The accumulated benefit obligation at December 31, 2023 and 2022, was $437,912 and $413,805, respectively.

The weighted-average assumptions used to determine benefit obligations at December 31 and net periodic benefit costs for the years then ended are as follows:

	2023	2022
Assumptions—benefit obligations:		
Discount rate	5.10%	5.45%
Rate of compensation increase	3.00% for 2023, then 3.00% after 2023	3.00% for 2022, then 3.00% after 2022
Assumptions—net periodic benefit cost:		
Discount rate	5.45%	2.96%
Expected return on plan assets	7.00%	6.75%
Rate of compensation increase	3.00% for 2023, and 3.00% for after 2023	9.00% for 2021, 3.00% for 2022, and 3.00% for after 2022

The amortization of any prior service cost is determined using a straight-line amortization of the cost over the average remaining service period of employees expected to receive benefits under the Plan. The discount rate was changed from 5.45% to 5.10% for 2023. This change had the impact of increasing the projected benefit obligation by approximately $17,400. The discount rate was changed from 2.96% to 5.45% for 2022. This change had the impact of decreasing the projected benefit obligation by approximately $156,000.

The mortality tables used in 2023 and 2022 are taken from the Society of Actuaries' most recent study of mortality for private sector pension plans (Pri-2012) and reflects the most recently released mortality improvement scale (MP-2021). The actual mortality experience for the plan does not indicate a need to modify the assumption for COVID or other mortality experience.

(In Thousands)

Note 11. Pension Plans (Continued)

Other sources of gain/loss such as salaries, plan experience, updated census data and minor adjustments to actuarial assumptions increased the projected benefit obligation by approximately $6,950 and $4,000, during the years ended December 31, 2023 and 2022, respectively. In 2022, the change in future salary assumptions had the impact of decreasing the projected benefit obligation by approximately $9,000.

The principal long-term determinant of a portfolio's investment return is its asset allocation. The Plan's allocation is currently balance weighted with growth assets (50%) versus fixed income (50%). In 2022 the Corporation modified the policy on investment allocation for the Plan. The policy now has a glidepath in place where portfolio allocation will be adjusted based on the funded status. Within the growth investment classification, the Plan's asset strategy encompasses equity and equity-like instruments that are public market investments. These equity and equity-like instruments are public equity securities that are well diversified and invested in U.S. and international companies. Management believes its active strategies have added value relative to passive benchmark returns. The expected long-term rate of return assumption is based on the mix of assets in the Plan, the long-term earnings expected to be associated with each asset class, and the additional return expected through active management. This assumption is periodically benchmarked against peer plans.

The Plan's asset allocations at December 31, by asset category, are as follows:

	2023	2022
U.S. government and agency obligations	24 %	20 %
Mutual funds—bond	26	22
Domestic equities	15	18
Mutual funds—equity	11	14
Commingled funds	9	10
Real estate investment trust	4	5
Corporate bonds	3	2
International equities	3	3
Real estate investment fund	2	3
Foreign government and agency obligations	1	-
Cash and short-term investments	1	1
Guaranteed investment contract	1	1
Mortgage and asset backed securities	-	1
	100 %	100 %

(In Thousands)

Note 11. Pension Plans (Continued)

The fair value of pension plan assets was determined using the following inputs at December 31:

		2023		
	Fair Value	Level 1	Level 2	Level 3
International equity	$ 11,929	$ 11,003	$ 926	$ -
Domestic equity	67,972	63,852	4,120	-
Mortgage and asset backed securities	2,060	-	2,060	-
Municipal bonds	402	-	402	-
Corporate bonds	12,486	-	12,486	-
Contracts and swaps	336	-	-	336
Mutual funds—equity	47,954	47,954	-	-
Mutual funds—bond	104,892	6,960	97,932	-
U.S. government and agency obligations	114,295	114,295	-	-
Foreign government and agency obligations	2,692	-	2,692	-
Guaranteed investment contract	3,771	-	-	3,771
Total investments at fair value	368,789	$ 244,064	$ 120,618	$ 4,107

Investments reported based on net asset value:	
Real estate investment trust	$ 8,602
Real estate investment fund	41,197
Total investments reported at net asset value:	65,880
Cash equivalents	5,295
Less pending trades	(33,175)
Total investment assets	$ 406,789

(In Thousands)

Note 11. Pension Plans (Continued)

		2022		
	Fair Value	Level 1	Level 2	Level 3
International equity	$ 12,683	$ 12,320	$ 363	$ -
Domestic equity	73,287	68,734	4,553	-
Mortgage and asset backed securities	2,032	-	2,032	-
Corporate bonds	7,386	-	7,386	-
Contracts and swaps	314	-	-	314
Mutual funds—equity	56,348	56,348	-	-
Mutual funds—bond	86,756	7,691	79,065	-
U.S. government and agency obligations	78,512	78,512	-	-
Guaranteed investment contract	4,957	-	-	4,957
Total investments at fair value	322,275	$ 223,605	$ 93,399	$ 5,271

Investments reported based on net asset value:	
Cash equivalents	$ -
Real estate investment trust	20,832
Real estate investment fund	10,042
Commingled funds	42,026
Total investments reported at net asset value:	72,900
Cash equivalents	5,520
Less pending trades	(11,923)
Total investment assets	$ 388,772

Fair value methodologies for Level 1 and Level 2 investments are consistent with the inputs described in Note 4. The fair value of the Level 3 interest in the guaranteed investment contract (GIC) is based on information reported by the issuer of the GIC at year-end.

Estimated future benefit payments are as follows:

Year ending December 31:	
2024	$ 26,529
2025	27,529
2026	28,643
2027	29,667
2028	30,425
2029 - 2033	159,076

Note 11. Pension Plans (Continued)

The Corporation expects to make no contributions to its defined benefit pension plan in 2024.

Defined contribution and other pension plans: PH offers two noncontributory defined contributions plans. The Choice Contribution Retirement Plan provides a benefit for those participants in the defined benefit pension plan that elected to freeze their defined benefit pension plan benefits as of December 31 2004 and participate in this plan beginning January 1, 2005. This plan is frozen to new participants after December 31, 2004. Eligible employees hired or rehired on January 1, 2005 and after, participate in the Retirement Contribution Plan. The accrued liability for the defined contribution pension plan is $43,323 and $39,606 at December 31, 2023 and 2022, respectively, and is recorded in salaries, wages and related liabilities on the consolidated balance sheets. During 2023 and 2022, expense for this plan totaled $43,308 and $40,161, respectively, and is included in salaries and benefits expense.

Employer contributions to the 403(b) and 401(k) plans are based on a percentage of eligible employee compensation, as defined by the employer. The contributions for the 403(b) and 401(k) plans were $21,541 and $20,504 in 2023 and 2022, respectively, and were reported as salaries and benefits expense.

Note 12. Malpractice Insurance

The Corporation and its affiliates are subject to pending and threatened legal actions that arise in the normal course of their activities. Medical malpractice coverage is provided through a program of self-insurance and commercial insurance and considers limitations imposed by the Indiana Medical Malpractice Act, as amended (the Act). The “Act” limits the amount of individual claims to $1,250 (effective July 1, 1999 through June 30, 2017), of which $1,000 would be paid by the State of Indiana Patient Compensation Fund (PCF) and $250 by the Corporation or by its commercial insurer, The Medical Protective Company. Effective July 1, 2017, this limit increased to $1,650, of which $1,250 would be paid by the PCF and $400 by the Corporation or its commercial insurer. Effective July 1, 2019, this limit increased to $1,800, of which $1,300 would be paid by the PCF and $500 by the Corporation or its commercial insurer.

Malpractice claims for incidents that may give rise to litigation have been asserted against the Corporation by various claimants. The claims are in various stages of resolution, and some may ultimately be brought to trial. There are also reported incidents that have occurred through December 31, 2023, which may result in the assertion of additional claims. There may be other claims from unreported incidents arising from services provided to patients. The liability for medical malpractice includes amounts for claims and related legal expenses for these incurred but not reported incidents. This liability is actuarially determined by combining industry data and the Corporation’s historical experience. Accrued malpractice losses and insurance recoveries receivable have been discounted at 3.5% in 2023 and 2022, in management’s opinion, provide adequate reserve for loss contingencies. The Corporation recorded receivable balances to reflect the expected recovery from commercial insurance coverage. The Corporation is reporting receivables of $1,557 and $1,172 in prepaid expenses and other current assets at December 31, 2023 and 2022, respectively, and $2,503 and $2,076 in other assets at December 31, 2023 and 2022, respectively. The Corporation has recorded malpractice liabilities of $3,800 and $3,475 in accounts payable and accrued expenses as of December 31, 2023 and 2022, respectively, and $10,231 and $9,849 at December 31, 2023 and 2022, respectively, in other liabilities in the consolidated balance sheets.

Note 12. Malpractice Insurance (Continued)

The Corporation established a revocable, restricted trust for claims not covered by commercial insurance for the purpose of setting aside assets based on actuarial funding recommendations. Under the trust agreements, the trust assets can only be used for payment of malpractice and general liability losses, related expenses and the cost of administering the trust. The balance of the trust was $8,390 and $7,531 at December 31, 2023 and 2022, respectively. The trust is included in Funds held by trustees in the consolidated balance sheets.

Note 13. Leases

The Corporation enters into contracts to lease real estate, equipment and vehicles. The Corporation's most significant lease liabilities relate to real estate leases that have initial contract lease terms ranging from one to 15 years. Certain leases include renewal, termination or purchase options that were not deemed reasonably assured of exercise under ASC 840. Under ASC Topic 842, the lease term at the lease commencement date is determined based on the non-cancellable period for which the Corporation has the right to use the underlying asset, together with any periods covered by an option to extend the lease if the Corporation is reasonably certain to exercise that option, periods covered by an option to terminate the lease if the Corporation is reasonably certain not to exercise that option, and periods covered by an option to extend (or not to terminate) the lease in which the exercise of the option is controlled by the lessor. The Corporation considered a number of factors when evaluating whether the options in its lease contracts were reasonably certain of exercise, such as length of time before option exercise, expected value of the leased asset at the end of the initial lease term, importance of the lease to overall operations, costs to negotiate a new lease, and any contractual or economic penalties.

Operating leases result in a straight-line lease expense, while finance leases result in a front-loaded expense pattern. The Corporation does not sublease any of its leased assets to third parties and the Corporation is not party to any lease contracts with related parties. The Corporation's lease agreements do not contain any residual value guarantees or restrictive covenants.

ASC Topic 842 includes a number of reassessment and re-measurement requirements for lessees based on certain triggering events or conditions, including whether a contract is or contains a lease, assessment of lease term and purchase options, measurement of lease payments, assessment of lease classification and assessment of the discount rate. The Corporation reviewed the reassessment and re-measurement requirements and did not identify any events or conditions during the years ended December 31, 2023 and 2022 that required a reassessment or re-measurement. In addition, there were no impairment indicators identified during the years ended December 31, 2023 and 2022 that required an impairment test for the Corporation's ROU assets or other long-lived assets in accordance with ASC 360-10.

(In Thousands)

Note 13. Leases (Continued)

The components of lease expense and supplemental cash flow information related to leases for the years ended December 31 are as follows:

	2023	2022
Operating lease cost	$ 10,314	$ 9,454
Finance lease cost—amortization of right-of-use assets	8,726	8,356
Finance lease cost—interest on lease liabilities	904	518
Total lease cost	$ 19,944	$ 18,328

	2023	2022
Cash paid for amounts included in measurement of lease liabilities:		
Operating cash outflows—payments on operating leases	$ 10,155	$ 8,901
Operating cash outflows—payments on finance leases	997	435
Financing cash outflows—payments on finance leases	9,620	7,538
Right-of-use assets obtained in exchange for new lease obligations:		
Finance leases	13,715	10,526
Operating leases	20,122	2,425

The presentation of lease right-of use assets and lease liabilities in the consolidated balance sheets as of December 31 is as follows:

	2023	2022
Operating leases:		
Operating lease assets	$ 45,642	$ 32,839
Other current liabilities	$ 6,359	$ 6,794
Operating lease liabilities	40,824	27,280
Total operating lease liabilities	$ 47,183	$ 34,074
Finance leases:		
Machinery and equipment	$ 42,206	$ 36,725
Accumulated depreciation	(21,855)	(21,256)
Finance lease right-of-use assets, net	$ 20,351	$ 15,469
Current portion of finance lease liabilities	$ 8,064	$ 4,991
Long-term portion of finance lease liabilities	12,576	10,793
Total finance lease liabilities	$ 20,640	$ 15,784

Weighted-average remaining lease terms and discount rates as of December 31 are as follows:

Weighted-average remaining lease term:		
Operating leases	13.4 Years	8.0 Years
Finance leases	2.7 Years	3.4 Years
Weighted-average discount rate:		
Operating leases	3.54%	2.92%
Finance leases	3.12%	2.13%

(In Thousands)

Note 13. Leases (Continued)

Future maturities of lease liabilities as of December 31, 2023 are as follows:

	Operating Leases	Finance Leases
Year ending December 31,		
2024	$ 7,886	$ 8,621
2025	6,310	7,572
2026	5,754	4,062
2027	4,865	1,153
2028	4,569	180
Thereafter	28,871	17
Total lease payments	58,255	21,605
Less imputed interest	11,072	965
Total present value of lease liabilities	$ 47,183	$ 20,640

PVH owns the Ortho Hospital building and leases space to ORTHO under a non-cancelable operating lease that will expire in 2032. ORTHO owns the Parkview Surgery One building and leases it to Parkview Ortho Center LLC under a non-cancelable operating lease that expires in 2025, with renewal options to 2040 in 5-year increments. PH has 60% ownership of ORTHO, which owns the Parkview Ortho Center LLC. Rental revenue and expense associated with leases are eliminated in consolidation, and the related future minimum lease payments have been excluded from the above table.

Note 14. Functional Expenses

The cost of providing the Corporation’s programs and other activities is summarized on a functional basis. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied. Each year the basis on which costs are allocated is evaluated.

Management, general and administrative expenses include costs that are not directly identifiable with any specific program, but which provide for the overall support of the Corporation.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Corporation generally does not conduct its fundraising activities in conjunction with its other activities. Additionally, advertising costs are expensed as incurred.

(In Thousands)

Note 14. Functional Expenses (Continued)

The Corporation, as an integrated health care delivery system, provides and manages the health care needs of its patients. Aggregate direct expenses for these services as a percentage of total expenses were approximately 91% and 91% for the years ended December 31, 2023, and 2022, respectively. A summary of expense by function for the years ended December 31 is as follows:

	2023							
	Health Care Services					Support Services		
	Acute	Ambulatory	Physician	Post Acute	Health Plan	Management and General	Fundraising	Total
Salaries and benefits	$ 353,275	$ 507,335	$ 504,142	$ 53,968	$ 2,512	$ 154,269	$ 514	$ 1,576,015
Supplies	199,002	289,468	25,289	11,074	36	8,656	8	533,533
Purchased services	23,427	113,521	29,482	5,268	630	45,901	100	218,329
Utilities, repairs and maintenance	15,144	48,296	2,589	566	6	14,474	3	81,078
Depreciation and amortization	48,143	39,355	9,842	2,852	69	81	51	100,393
Hospital assessment fee	65,195	54,186	-	3,863	-	-	-	123,244
Interest and financing costs	13,934	11,524	2,849	825	20	23	18	29,193
Other, net	10,390	23,832	33,243	1,728	132	35,384	1,231	105,940
	$ 728,510	$ 1,087,517	$ 607,436	$ 80,144	$ 3,405	$ 258,788	$ 1,925	$ 2,767,725

	2022							
	Health Care Services					Support Services		
	Acute	Ambulatory	Physician	Post Acute	Health Plan	Management and General	Fundraising	Total
Salaries and benefits	$ 352,063	$ 458,042	$ 510,360	$ 52,121	$ 2,587	$ 144,736	$ 574	$ 1,520,483
Supplies	191,638	247,331	33,531	11,558	41	7,857	6	491,962
Purchased services	21,342	100,147	25,738	4,366	667	36,990	101	189,351
Utilities, repairs and maintenance	14,210	46,682	3,873	291	15	14,009	4	79,084
Depreciation and amortization	58,570	49,925	12,119	2,878	86	115	-	123,693
Hospital assessment fee	49,136	41,883	-	2,414	-	-	-	93,433
Interest and financing costs	11,943	10,180	2,471	587	19	23	-	25,223
Other, net	8,553	22,451	31,813	1,456	116	35,216	470	100,075
	$ 707,455	$ 976,641	$ 619,905	$ 75,671	$ 3,531	$ 238,946	$ 1,155	$ 2,623,304

Note 15. Indiana Medicaid Disproportionate Share

Under Indiana law (IC 12-15-16 (1-3)), health care providers qualifying as State of Indiana Medicaid Acute Disproportionate Share and Medicaid Safety Net Hospitals (DSH providers) are eligible to receive Indiana Medicaid Disproportionate Share (State DSH) payments. The amount of these additional State DSH funds is dependent on regulatory approval by agencies of the federal and state governments and is determined by the level, extent, and cost of uncompensated care (as defined) and various other factors. State DSH payments are paid according to the fiscal year of the state, which ends on June 30 of each year and are based on the cost of uncompensated care provided by the DSH providers during their respective fiscal year ended during the state fiscal year.

In 2023, PH recognized $1,349 in income from Indiana Medical Disproportionate State payments, $1,121 of which pertained to state fiscal year 2019.

In 2022, PH did not recognize any income from Indiana Medical Disproportionate State payments.

At December 31, 2023 and 2022, PH had $1,653 and $2,493 of deferred State DSH revenue, respectively.

Note 16. Hospital Assessment Fee Programs

Indiana Hospital Assessment Fee: The Indiana Family and Social Services Administration (FSSA) implemented a Hospital Assessment Fee (HAF) program in accordance with Public Law 229-2011, Section 281, as enacted by the 2011 Session of the Indiana General Assembly. The initial HAF program was effective for the period of July 1, 2011, through June 30, 2013. House Enrolled Act (HEA) 1001 (2013) added Indiana Code IC 16-21-10, and subsequent legislation further extended the HAF program. The fee is currently in place through June 30, 2024. HAF includes both a payment to the hospitals from the state and an assessment against the hospitals, which is paid to the state in the same year.

Beginning in February 2017, the HAF payments to providers were incorporated into claim-by-claim payments from both Medicaid and the Medicaid Managed Care Entities. Therefore, payments to PH recognized for the years ended December 31, 2023 and 2022, cannot be separately identified. HAF assessments against PH for 2023 were $122,618 and 2022 were $93,433.

HAF payments to PH are included in net patient service care revenue in the consolidated statements of operations and changes in net assets. HAF assessments against PH are included in operating expense in the consolidated statements of operations and changes in net assets.

Ohio Hospital Franchise Fee: Ohio Medicaid is funded through a combination of both federal and state funds. Ohio provides the state’s share of Medicaid funding through both state tax revenue and hospital fee revenue raised from the Hospital Franchise Fee Program. Supplemental payments to hospitals, known as upper payment limit, or UPL payments, were a part of the Hospital Franchise Fee Program since its inception in 2009. Due to the growth of Medicaid managed care, UPLs declined dramatically in the late 2010s and were ultimately eliminated in December 2019.

To replace the loss of UPL funding, Ohio Hospital Association (OHA) worked with the Ohio Department of Medicaid to create enhancements to hospital Medicaid base rates known as Cost Coverage Add-Ons, or CCAs. Like the UPL payments, CCAs were designed to bring Medicaid payment levels up to par with Medicare fee-for-service hospital reimbursement levels. The first CCA payments took effect in January 2020. To ensure the stability of the Hospital Franchise Fee program during the COVID-19 pandemic, CCA payments were augmented by Hospital Additional Payments. The first Hospital Additional Payment took place in December 2020 and have continued through December 2023.

Finally, Medicaid Managed Care Incentive payments are issued to Ohio hospitals in return for their commitment to providing increased access and treatment for Medicaid beneficiaries enrolled in a Managed Care Plan. Hospital Franchise Fees recorded in the consolidated statements of operations and changes in net assets was $626 and $0, for the years ended December 31, 2023 and 2022, respectively.

Note 17. Commitments and Contingencies

PH is self-insured for employee health claims. At December 31, 2023 and 2022, PH had estimated liabilities for claims incurred that have not yet been reported based on historical claims experience, which was $7,847 and $2,835, respectively. These benefits are recorded in accounts payable and accrued expenses in the accompanying consolidated balance sheets.

Note 17. Commitments and Contingencies (Continued)

Regulatory environment including fraud and abuse matters: The health care industry is subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, governmental health care program participation requirements, reimbursement for patient services and Medicare and Medicaid fraud and abuse. Government activity continues with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the PH is in compliance with fraud and abuse, as well as other applicable government laws and regulations. While no regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or asserted at this time.

Note 18. Novel Coronavirus Disease 2019 (COVID-19) Pandemic and Relief Funding

On January 30, 2020, the World Health Organization declared the COVID-19 coronavirus outbreak a “Public Health Emergency of International Concern” and on March 11, 2020, declared it to be a pandemic. The spread of COVID-19, a novel strain of coronavirus, has altered the behavior of business and people in a manner that has had negative effects on local, regional and global economies, including disrupting the healthcare industry.

The pandemic adversely impacted the Corporation’s operations, including a decline in patient volumes and patient service revenue as local authorities shut down elective surgeries and other procedures from mid-March through mid-May 2020. Additionally, certain physician offices and ambulatory facilities were temporarily closed, and patients’ desire to seek care was initially diminished. The Corporation has also incurred, and will continue to incur, significant costs to address COVID-19, which include increased supply costs, including for personal protective equipment and additional labor costs. Although patient volumes have largely recovered since the onset of the pandemic, the potential future impact of the pandemic on the Corporation market and facilities is difficult to predict.

In response to the COVID-19 pandemic, Congress passed the CARES Act, which was signed into law on March 27, 2020. The CARES Act provides funding to fight the COVID-19 pandemic, stimulate the U.S. economy, and provide assistance to affected industries. The CARES Act clarifies that all COVID-19 testing, preventive services and vaccines are to be provided by private insurance plans without cost sharing. The CARES Act also delays certain Medicare and Medicaid cuts (e.g., Medicare sequestration, disproportionate share hospital reductions) and extends certain other government programs. In addition, the U.S. Department of Health and Human Services, the Centers for Medicare and Medicaid Services, and the Health Resources and Services Administration all issued various waivers of regulations governing coverage of specific services and conditions of program participation.

The CARES Act included emergency funding for health care expenses or lost revenues not otherwise reimbursed, for treating COVID-19 patients. The Corporation received $0 and $58,110 Provider Relief Fund program distributions, all of which have been recorded as other revenue in the accompanying December 31, 2023 and 2022 consolidated statements of operations and changes in net assets, respectively. Provider Relief Fund distributions are not loans and, therefore, they are not subject to repayment unless funds received exceed qualifying health care related expenses and lost revenues. However, as a condition to receiving distributions, the Corporation agreed to certain terms and conditions, including, among other things, that the funds are being used for lost revenues and COVID-related costs.

Note 18. Novel Coronavirus Disease 2019 (COVID-19) Pandemic and Relief Funding (Continued)

The Corporation received $0 and $787 of American Rescue Plan Rural (ARP) Distributions that have been recorded as other revenue in the accompanying December 31, 2023 and 2022 consolidated statements of operations and changes in net assets, respectively. The ARP distributions are not loans and, therefore, they are not subject to repayment unless funds received exceed qualifying health care related expenses and lost revenues. The Corporation has agreed to certain terms and conditions, including, among other things, that the funds are being used for COVID-related costs. The COVID-related costs must be reported on a Tax Identification Number-by-Tax Identification Number basis, according to the most recent guidance from HRSA.

The Corporation believes it complied with the terms and conditions of the PRF distributions received, however, HRSA may audit whether the Corporation qualified and met the conditions necessary to retain the funds. Therefore, it is possible that the Corporation may have to repay an amount previously received from HRSA.

Additionally, the Corporation billed $0 and $350 under the COVID-19 Testing for the Uninsured program, which is reported within patient care service revenue in the accompanying December 31, 2023 and 2022 consolidated statements of operations and changes in net assets, respectively.

Note 19. Subsequent Events

PH has evaluated subsequent events for potential recognition and/or disclosure through April 18, 2024, the date the consolidated financial statements were issued.

On February 21, 2024, Change Healthcare, a third-party service provided to the Corporation, became aware of a cybersecurity incident (the “Incident”) causing a disruption across the health care industry. The Corporation uses Change Healthcare as a clearinghouse for electronic billings to third-party payors. As a result of the incident, the Corporation does not know what, if any, PH patient data, including personally identifiable information (PII) and/or protected health information (PHI), has been compromised as a result of the Incident. At this time, PH is not aware of any legal claims asserted against PH and is not able to predict if the Incident will have a material adverse effect on the Corporation’s financial condition or results of operations.

Supplementary Information

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Details of Consolidated Balance Sheet
December 31, 2023
(In Thousands)

	Parkview Hospital, Inc. [1]	Parkview Health System, Inc. [1]	Parkview Huntington Hospital	Parkview Whitley Hospital	Parkview Noble Hospital	Parkview LaGrange Hospital [2]	Parkview Wabash Hospital [2]	Parkview DeKalb Hospital	Parkview Bryan/Archbold Montpelier	Park Center, Inc.	Parkview Southwest Surgery Center [1]	Managed Care Services [1]
Assets												
Current assets:												
Cash and cash equivalents	$ (198)	$ 135,879	$ 2	$ 3	$ 35	$ 2	$ 1	$ 422	$ 32,684	$ 12,040	$ 67	$ -
Short-term investments	-	20,907	-	-	-	-	-	-	-	-	-	-
Patient accounts receivable	232,671	64,524	10,401	14,735	9,777	5,780	9,450	10,062	12,802	3,422	537	-
Inventories	25,990	37,442	632	1,028	500	475	1,110	1,398	2,246	-	259	-
Prepaid expenses and other current assets	(46,907)	117,644	25,029	(28,844)	43,789	9,236	(16,512)	20,224	(49,094)	(3,846)	(13,193)	21,889
Estimated third-party payer settlements	18,813	-	530	280	378	-	-	-	-	-	-	-
Due from investment brokers	-	5,227	-	-	-	-	-	-	-	-	-	-
Total current assets	230,369	381,623	36,594	(12,798)	54,479	15,493	(5,951)	32,106	(1,362)	11,616	(12,330)	21,889
Assets limited as to use and investments:												
Investments—less short-term investments	31,658	1,438,613	48,557	71,257	-	-	-	-	34,047	-	-	-
Funds held by trustees	-	38,864	-	-	-	-	-	-	-	-	-	-
Other investments	-	1,774	-	-	-	-	-	-	-	-	-	-
	31,658	1,479,251	48,557	71,257	-	-	-	-	34,047	-	-	-
Property and equipment:												
Cost	1,406,342	831,697	26,345	110,820	19,910	35,055	48,580	40,377	34,781	19,243	9,486	415
Less accumulated depreciation and amortization	695,759	445,959	14,933	23,489	14,472	22,954	18,852	8,471	1,079	3,369	3,194	400
	710,583	385,738	11,412	87,331	5,438	12,101	29,728	31,906	33,702	15,874	6,292	15
Other assets:												
Finance lease right-of-use assets, net	12,618	3,920	552	704	617	217	364	826	-	28	505	-
Operating lease right-of-use assets, net	590	66,629	185	-	-	2	508	68	-	917	-	-
Interest rate swaps	-	4,705	-	-	-	-	-	-	-	-	-	-
Investments in joint ventures	2,252	2,206	-	-	-	-	-	-	27	-	-	-
Goodwill and intangible assets, net	22,491	77,139	246	-	-	5,011	-	-	-	-	-	-
Other assets	702	32,887	-	-	-	-	-	-	671	274	-	-
	38,653	187,486	983	704	617	5,230	872	894	698	1,219	505	-
Total assets	$ 1,011,263	$ 2,434,098	$ 97,546	$ 146,494	$ 60,534	$ 32,824	$ 24,649	$ 64,906	$ 67,085	$ 28,709	$ (5,533)	$ 21,904

	Parkview Occupational Health Centers	Parkview Health Foundation	Parkview Hospital Foundation	Parkview Huntington Hospital Foundation	Parkview Whitley Hospital Foundation	Parkview Noble Foundation	Parkview LaGrange Hospital Foundation	Parkview Wabash Hospital Foundation	Parkview DeKalb Hospital Foundation	Share Foundation of Comm Hosp of Williams Co	Obligated Group Eliminations [1]	Other Eliminations	Consolidated
Assets													
Current assets:													
Cash and cash equivalents	$ 8	$ 1,473	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 21	$ -	$ -	$ 182,439
Short-term investments	-	-	-	-	-	-	-	-	-	-	-	-	20,907
Patient accounts receivable	1,163	-	-	-	-	-	-	-	-	-	-	(6,656)	368,668
Inventories	-	-	-	-	-	-	-	-	-	-	-	-	71,080
Prepaid expenses and other current assets	(22,211)	7,909	-	-	-	-	-	-	-	-	(321)	(3,082)	61,710
Estimated third-party payer settlements	-	-	-	-	-	-	-	-	-	-	-	-	20,001
Due from investment brokers	-	-	-	-	-	-	-	-	-	-	-	-	5,227
Total current assets	(21,040)	9,382	-	-	-	-	-	-	-	21	(321)	(9,738)	730,032
Assets limited as to use and investments:													
Investments—less short-term investments	-	26,072	-	-	-	-	-	-	-	4,522	-	-	1,654,726
Funds held by trustees	-	-	-	-	-	-	-	-	-	-	-	-	38,864
Other investments	-	833	-	-	-	-	-	-	-	-	-	-	2,607
	-	26,905	-	-	-	-	-	-	-	4,522	-	-	1,696,197
Property and equipment:													
Cost	2,365	328	-	-	-	-	-	-	-	-	-	-	2,585,744
Less accumulated depreciation and amortization	1,499	211	-	-	-	-	-	-	-	-	-	-	1,254,641
	866	117	-	-	-	-	-	-	-	-	-	-	1,331,103
Other assets:													
Finance lease right-of-use assets, net	-	-	-	-	-	-	-	-	-	-	-	-	20,351
Operating lease right-of-use assets, net	707	-	-	-	-	-	-	-	-	-	(23,964)	-	45,642
Interest rate swaps	-	-	-	-	-	-	-	-	-	-	-	-	4,705
Investments in joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	4,485
Goodwill and intangible assets, net	-	-	-	-	-	-	-	-	-	-	-	-	104,887
Other assets	-	2	-	-	-	-	-	-	-	-	-	-	34,536
	707	2	-	-	-	-	-	-	-	-	(23,964)	-	214,606
Total assets	$ (19,467)	$ 36,406	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,543	$ (24,285)	$ (9,738)	$ 3,971,938

[1] Parkview Obligated Group entity.
[2] Parkview Credit Group entity.

(Continued)

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Details of Consolidated Balance Sheet (Continued)
December 31, 2023
(In Thousands)

	Parkview Hospital, Inc. [1]	Parkview Health System, Inc. [1]	Parkview Huntington Hospital	Parkview Whitley Hospital	Parkview Noble Hospital	Parkview LaGrange Hospital [2]	Parkview Wabash Hospital [2]	Parkview DeKalb Hospital	Parkview Bryan/Archbold Montpelier	Park Center, Inc.	Parkview Southwest Surgery Center [1]	Managed Care Services [1]	Parkview Occupational Health Centers	Parkview Health Foundation	Parkview Hospital Foundation	Parkview Huntington Hospital Foundation	Parkview Whitley Hospital Foundation	Parkview Noble Foundation	Parkview LaGrange Hospital Foundation	Parkview Wabash Hospital Foundation	Parkview DeKalb Hospital Foundation	Share Foundation of Comm Hosp of Williams Co	Obligated Group Eliminations [1]	Other Eliminations	Consolidated
Liabilities and Net Assets																									
Current liabilities:																									
Accounts payable and accrued expenses	$ 53,797	$ 112,000	$ 1,279	$ 3,449	$ 766	$ 1,261	$ 1,460	$ 1,733	$ 1,335	$ 1,721	$ 541	$ 51	$ 117	$ 44	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (6,656)	$ 172,898
Salaries, wages, and related liabilities	20,190	184,630	1,046	1,362	1,094	542	678	888	492	769	85	125	236	-	-	-	-	-	-	-	-	-	-	-	212,137
Accrued interest	-	3,876	-	-	-	43	109	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,028
Estimated third-party payer settlements	9,466	(6,750)	3,668	558	2,173	1,135	5,833	158	(932)	101	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,410
Borrowing under revolving line of credit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current portion of long-term debt	-	29,474	-	-	-	1,130	855	-	-	369	-	-	-	-	-	-	-	-	-	-	-	-	-	(369)	31,459
Current portion of finance lease liabilities	5,053	1,411	255	276	228	113	178	303	-	19	228	-	-	-	-	-	-	-	-	-	-	-	-	-	8,064
Current portion of operating lease liabilities	92	7,911	32	-	-	2	89	19	-	203	-	-	112	-	-	-	-	-	-	-	-	-	(2,101)	-	6,359
Due to investment brokers	-	2,557	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,557
Total current liabilities	88,598	335,109	6,280	5,645	4,261	4,226	9,202	3,101	895	3,182	854	176	465	44	-	-	-	-	-	-	-	-	(2,101)	(7,025)	452,912
Noncurrent liabilities:																									
Long-term debt, less current portion	-	680,821	-	-	-	10,958	19,495	-	-	10,197	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,713)	718,758
Finance lease liabilities, less current portion	7,940	2,369	303	437	398	108	190	536	-	10	285	-	-	-	-	-	-	-	-	-	-	-	-	-	12,576
Operating lease liabilities, less current portion	507	60,358	137	-	-	-	445	49	-	910	-	-	602	-	-	-	-	-	-	-	-	-	(22,184)	-	40,824
Interest rate swaps	-	25,123	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,123
Accrued pension obligations	-	52,936	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	52,936
Other	702	28,233	-	-	-	-	28	-	44	238	-	-	-	2	-	-	-	-	-	-	-	-	-	-	29,247
	9,149	849,840	440	437	398	11,066	20,158	585	44	11,355	285	-	602	2	-	-	-	-	-	-	-	-	(22,184)	(2,713)	879,464
Net assets:																									
Parkview Health System, Inc.	913,516	1,215,429	90,826	140,412	55,875	17,532	(4,711)	61,220	66,446	14,172	(6,672)	21,728	(20,534)	22,127	-	-	-	-	-	-	-	-	-	-	2,587,366
Noncontrolling interest in subsidiaries	-	33,720	-	-	-	-	-	-	(300)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	33,420
Total net assets without donor restrictions	913,516	1,249,149	90,826	140,412	55,875	17,532	(4,711)	61,220	66,146	14,172	(6,672)	21,728	(20,534)	22,127	-	-	-	-	-	-	-	-	-	-	2,620,786
Net assets with donor restrictions	-	-	-	-	-	-	-	-	-	-	-	-	-	14,233	-	-	-	-	-	-	-	4,543	-	-	18,776
Total net assets (deficit)	913,516	1,249,149	90,826	140,412	55,875	17,532	(4,711)	61,220	66,146	14,172	(6,672)	21,728	(20,534)	36,360	-	-	-	-	-	-	-	4,543	-	-	2,639,562
Total liabilities and net assets	$ 1,011,263	$ 2,434,098	$ 97,546	$ 146,494	$ 60,534	$ 32,824	$ 24,649	$ 64,906	$ 67,085	$ 28,709	$ (5,533)	$ 21,904	$ (19,467)	$ 36,406	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,543	$ (24,285)	$ (9,738)	$ 3,971,938

[1] Parkview Obligated Group entity.
[2] Parkview Credit Group entity.

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Details of Consolidated Balance Sheet
December 31, 2022
(In Thousands)

	Parkview Hospital, Inc. [1]	Parkview Health System, Inc. [1]	Parkview Huntington Hospital	Parkview Whitley Hospital	Parkview Noble Hospital	Parkview LaGrange Hospital [2]	Parkview Wabash Hospital [2]	Parkview DeKalb Hospital	Park Center, Inc.	Parkview Southwest Surgery Center [1]	Managed Care Services [1]
Assets											
Current assets:											
Cash and cash equivalents	$ (718)	$ 194,350	$ 2	$ 3	$ 28	$ 2	$ 1	$ 146	$ 4,101	$ 396	$-
Short-term investments	-	19,932	-	-	-	-	-	-	-	-	-
Patient accounts receivable	251,217	56,375	8,738	11,701	8,861	6,760	9,149	9,273	2,728	433	-
Inventories	22,961	46,365	421	386	363	389	1,035	1,145	-	180	-
Prepaid expenses and other current assets	(96,444)	82,859	19,870	9,803	38,161	6,592	(21,279)	19,123	(792)	(10,795)	19,984
Estimated third-party payer settlements	-	-	-	-	-	-	-	-	-	-	-
Due from investment brokers	-	41,144	-	-	-	-	-	-	-	-	-
Total current assets	177,016	441,025	29,031	21,893	47,413	13,743	(11,094)	29,687	6,037	(9,786)	19,984
Assets limited as to use and investments:											
Investments—less short-term investments	28,812	1,501,780	44,214	64,852	-	-	-	-	1,622	-	-
Funds held by trustees	-	7,531	-	-	-	-	-	-	-	-	-
Other investments	-	2,694	-	-	-	-	-	-	-	-	-
	28,812	1,512,005	44,214	64,852	-	-	-	-	1,622	-	-
Property and equipment:											
Cost	1,371,711	796,383	27,733	68,819	18,948	34,733	48,509	38,635	19,093	7,634	451
Less accumulated depreciation and amortization	660,366	419,564	17,097	22,325	14,148	22,584	16,851	7,107	2,846	2,578	397
	711,345	376,819	10,636	46,494	4,800	12,149	31,658	31,528	16,247	5,056	54
Other assets:											
Finance lease right-of-use assets, net	10,274	1,966	455	688	581	351	541	519	51	43	-
Operating lease right-of-use assets, net	223	29,649	81	-	5	24	592	45	1,404	-	-
Interest rate swaps	-	-	-	-	-	-	-	-	-	-	-
Investments in joint ventures	2,194	3,166	-	-	-	-	-	-	-	-	-
Goodwill and intangible assets, net	22,491	77,146	246	-	-	5,011	-	-	-	-	-
Other assets	596	31,300	-	-	-	-	-	-	381	-	-
	35,778	143,227	782	688	586	5,386	1,133	564	1,836	43	-
Total assets	$ 952,951	$ 2,473,076	$ 84,663	$ 133,927	$ 52,799	$ 31,278	$ 21,697	$ 61,779	$ 25,742	$ (4,687)	$ 20,038

	Parkview Occupational Health Centers	Parkview Hospital Foundation	Parkview Huntington Hospital Foundation	Parkview Whitley Hospital Foundation	Parkview Noble Foundation	Parkview LaGrange Hospital Foundation	Parkview Wabash Hospital Foundation	Parkview DeKalb Hospital Foundation	Obligated Group Eliminations [1]	Other Eliminations	Consolidated
Assets											
Current assets:											
Cash and cash equivalents	$ (17)	$ 859	$ 140	$ 4	$ 14	$ 11	$ 130	$ 7	$ -	$ -	$ 199,459
Short-term investments	-	-	-	-	-	-	-	-	-	-	19,932
Patient accounts receivable	1,154	-	-	-	-	-	-	-	-	(10,370)	356,019
Inventories	-	-	-	-	-	-	-	-	-	-	73,245
Prepaid expenses and other current assets	(16,011)	1,203	444	283	586	217	539	33	-	(3,444)	50,932
Estimated third-party payer settlements	-	-	-	-	-	-	-	-	-	-	-
Due from investment brokers	-	-	-	-	-	-	-	-	-	-	41,144
Total current assets	(14,874)	2,062	584	287	600	228	669	40	-	(13,814)	740,731
Assets limited as to use and investments:											
Investments—less short-term investments	-	13,498	2,456	403	1,697	223	4,714	49	-	-	1,664,320
Funds held by trustees	-	-	-	-	-	-	-	-	-	-	7,531
Other investments	-	-	-	140	-	-	690	-	-	-	3,524
	-	13,498	2,456	543	1,697	223	5,404	49	-	-	1,675,375
Property and equipment:											
Cost	2,318	256	14	16	17	-	-	-	-	-	2,435,270
Less accumulated depreciation and amortization	1,381	164	14	16	17	-	-	-	-	-	1,187,455
	937	92	-	-	-	-	-	-	-	-	1,247,815
Other assets:											
Finance lease right-of-use assets, net	-	-	-	-	-	-	-	-	-	-	15,469
Operating lease right-of-use assets, net	816	-	-	-	-	-	-	-	-	-	32,839
Interest rate swaps	-	-	-	-	-	-	-	-	-	-	-
Investments in joint ventures	-	-	-	-	-	-	-	-	-	-	5,360
Goodwill and intangible assets, net	-	-	-	-	-	-	-	-	-	-	104,894
Other assets	-	2	-	-	-	-	-	-	-	-	32,279
	816	2	-	-	-	-	-	-	-	-	190,841
Total assets	$ (13,121)	$ 15,654	$ 3,040	$ 830	$ 2,297	$ 451	$ 6,073	$ 89	$ -	$ (13,814)	$ 3,854,762

[1] Parkview Obligated Group entity.
[2] Parkview Credit Group entity.

(Continued)

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Details of Consolidated Balance Sheet (Continued)
December 31, 2022
(In Thousands)

Liabilities and Net Assets	Parkview Hospital, Inc. [1]	Parkview Health System, Inc. [1]	Parkview Huntington Hospital	Parkview Whitley Hospital	Parkview Noble Hospital	Parkview LaGrange Hospital [2]	Parkview Wabash Hospital [2]	Parkview DeKalb Hospital	Park Center, Inc.	Parkview Southwest Surgery Center [1]	Managed Care Services [1]	Parkview Occupational Health Centers	Parkview Hospital Foundation	Parkview Huntington Hospital Foundation	Parkview Whitley Hospital Foundation	Parkview Noble Foundation	Parkview LaGrange Hospital Foundation	Parkview Wabash Hospital Foundation	Parkview DeKalb Hospital Foundation	Obligated Group Eliminations [1]	Other Eliminations	Consolidated
Current liabilities:																						
Accounts payable and accrued expenses	$ 68,740	$ 123,391	$ 1,436	$ 6,919	$ 1,313	$ 1,223	$ 1,871	$ 2,046	$ 2,135	$ 1,419	$ 151	$ 199	$ 2	$ 1	$ -	$ 1	$ -	$ 14	$ -	$ -	$ (10,370)	$ 200,491
Salaries, wages, and related liabilities	18,537	167,532	1,040	1,156	1,024	577	636	977	647	84	117	343	-	-	-	-	-	-	-	-	-	192,670
Accrued interest	-	3,539	-	-	-	40	113	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,692
Estimated third-party payer settlements	40,341	1,012	2,862	2,321	2,615	1,149	5,201	76	265	-	-	-	-	-	-	-	-	-	-	-	-	55,842
Borrowing under revolving line of credit	-	50,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	50,000
Current portion of long-term debt	-	29,658	-	-	-	1,080	830	-	362	-	-	-	-	-	-	-	-	-	-	-	(362)	31,568
Current portion of finance lease liabilities	3,335	586	158	211	183	118	176	176	24	24	-	-	-	-	-	-	-	-	-	-	-	4,991
Current portion of operating lease liabilities	60	6,180	34	-	5	22	79	17	288	-	-	109	-	-	-	-	-	-	-	-	-	6,794
Due to investment brokers	-	55,483	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	55,483
Total current liabilities	131,013	437,381	5,530	10,607	5,140	4,209	8,906	3,292	3,721	1,527	268	651	2	1	-	1	-	14	-	-	(10,732)	601,531
Noncurrent liabilities:																						
Long-term debt, less current portion	-	668,078	-	-	-	12,080	20,345	-	10,555	-	-	-	-	-	-	-	-	-	-	-	(3,082)	707,976
Finance lease liabilities, less current portion	7,204	1,399	299	482	402	235	368	355	29	20	-	-	-	-	-	-	-	-	-	-	-	10,793
Operating lease liabilities, less current portion	172	24,594	35	-	-	2	534	28	1,203	-	-	712	-	-	-	-	-	-	-	-	-	27,280
Contract liability—Medicare Advance Payment Program	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest rate swaps	-	29,926	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	29,926
Accrued pension obligations	-	46,602	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	46,602
Other	596	29,692	-	-	-	-	-	-	346	-	-	-	3	-	-	-	-	-	-	-	-	30,637
	7,972	800,291	334	482	402	12,317	21,247	383	12,133	20	-	712	3	-	-	-	-	-	-	-	(3,082)	853,214
Net assets:																						
Parkview Health System, Inc.	813,966	1,202,572	78,799	122,838	47,257	14,752	(8,456)	58,104	9,888	(6,234)	19,770	(14,484)	8,785	558	438	1,487	218	3,728	70	-	-	2,354,056
Noncontrolling interest in subsidiaries	-	32,832	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	32,832
Total net assets without donor restrictions	813,966	1,235,404	78,799	122,838	47,257	14,752	(8,456)	58,104	9,888	(6,234)	19,770	(14,484)	8,785	558	438	1,487	218	3,728	70	-	-	2,386,888
Net assets with donor restrictions	-	-	-	-	-	-	-	-	-	-	-	-	6,864	2,481	392	809	233	2,331	19	-	-	13,129
Total net assets (deficit)	813,966	1,235,404	78,799	122,838	47,257	14,752	(8,456)	58,104	9,888	(6,234)	19,770	(14,484)	15,649	3,039	830	2,296	451	6,059	89	-	-	2,400,017
Total liabilities and net assets	$ 952,951	$ 2,473,076	$ 84,663	$ 133,927	$ 52,799	$ 31,278	$ 21,697	$ 61,779	$ 25,742	$ (4,687)	$ 20,038	$ (13,121)	$ 15,654	$ 3,040	$ 830	$ 2,297	$ 451	$ 6,073	$ 89	$ -	$ (13,814)	$ 3,854,762

[1] Parkview Obligated Group entity.
[2] Parkview Credit Group entity.

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Details of Consolidated Statement of Operations and Changes in Net Assets
Year Ended December 31, 2023
(In Thousands)

	Parkview Hospital, Inc. [1]	Parkview Health System, Inc. [1]	Parkview Huntington Hospital	Parkview Whitley Hospital	Parkview Noble Hospital	Parkview LaGrange Hospital [2]	Parkview Wabash Hospital [2]	Parkview DeKalb Hospital	Parkview Bryan/Archbold Montpelier	Park Center, Inc.	Parkview Southwest Surgery Center [1]	Managed Care Services [1]	Parkview Occupational Health Centers
Revenues:													
Patient care service revenue	$ 1,946,018	$ 217,531	$ 92,115	$ 119,307	$ 82,793	$ 45,930	$ 71,010	$ 88,189	$ 23,528	$ 34,500	$ 4,844	$ -	$ 7,860
Other revenue	222,899	36,034	1,403	2,049	1,763	958	455	10,481	989	14,094	-	6,486	2,115
	2,168,917	253,565	93,518	121,356	84,556	46,888	71,465	98,670	24,517	48,594	4,844	6,486	9,975
Expenses:													
Salaries and benefits	992,319	440,018	45,571	54,735	37,304	19,870	24,324	45,727	11,267	28,005	1,978	2,636	10,441
Supplies	438,945	72,878	8,513	12,883	8,140	3,881	9,741	17,177	3,667	1,038	447	36	586
Purchased services	108,572	71,824	7,954	8,446	6,704	6,441	13,097	7,465	3,118	1,217	188	768	889
Utilities, repairs and maintenance	29,987	37,369	1,683	2,772	1,429	1,312	1,520	2,410	868	1,318	282	3	125
Depreciation and amortization	51,847	35,956	1,880	1,703	1,310	1,050	2,255	1,789	1,012	642	811	3	135
Hospital assessment fee	96,513	1,646	4,142	5,153	4,120	2,057	4,284	3,800	747	782	-	-	-
Interest and financing costs	536	27,209	12	15	14	515	680	29	3	163	17	-	-
Other, net	352,577	(331,896)	16,142	24,476	17,087	8,976	11,769	17,048	306	11,115	1,528	1,082	3,849
	2,071,296	355,004	85,897	110,183	76,108	44,102	67,670	95,445	20,988	44,280	5,251	4,528	16,025
Operating income (loss)	97,621	(101,439)	7,621	11,173	8,448	2,786	3,795	3,225	3,529	4,314	(407)	1,958	(6,050)
Nonoperating income (expense):													
Interest, dividends and realized gains (losses) on sales of investments, net	191	19,581	401	590	-	-	-	-	478	-	-	-	-
Unrealized gains on investments, net	2,584	125,048	3,942	5,815	-	-	-	-	1,938	-	-	-	-
Unrealized losses on interest rate swaps, net	-	9,507	-	-	-	-	-	-	-	-	-	-	-
Net periodic benefit expense other than service cost	-	6,813	-	-	-	-	-	-	-	-	-	-	-
Contribution of net assets without donor restrictions of Community Hospital & Wellness Centers, Inc.	-	-	-	-	-	-	-	-	59,926	-	-	-	-
Other, net	(403)	(1,392)	(20)	(3)	58	(6)	(3)	(2)	-	(2)	(31)	-	(8)
Excess (deficit) of revenues over expenses	99,993	58,118	11,944	17,575	8,506	2,780	3,792	3,223	65,871	4,312	(438)	1,958	(6,058)
Excess (deficit) of revenues over expenses attributable to:													
Noncontrolling interest in subsidiaries	-	28,528	-	-	-	-	-	-	11	-	-	-	-
Parkview Health System, Inc. and subsidiaries	99,997	29,590	11,944	17,575	8,506	2,776	3,792	3,223	65,860	4,312	(438)	1,958	(6,058)
Other changes in net assets attributable to:													
Distributions to noncontrolling interest in subsidiaries	-	(27,640)	-	-	-	-	-	-	(311)	-	-	-	-
Parkview Health System, Inc. and subsidiaries	(447)	(16,733)	83	(1)	112	4	(47)	(107)	586	(28)	-	-	8
Increase (decrease) in net assets	99,550	13,745	12,027	17,574	8,618	2,780	3,745	3,116	66,146	4,284	(438)	1,958	(6,050)
Net assets (deficit):													
Beginning of year	813,966	1,235,404	78,799	122,838	47,257	14,752	(8,456)	58,104	-	9,888	(6,234)	19,770	(14,484)
End of year	$ 913,516	$ 1,249,149	$ 90,826	$ 140,412	$ 55,875	$ 17,532	$ (4,711)	$ 61,220	$ 66,146	$ 14,172	$ (6,672)	$ 21,728	$ (20,534)

	Parkview Health Foundation	Parkview Hospital Foundation	Parkview Huntington Hospital Foundation	Parkview Whitley Hospital Foundation	Parkview Noble Foundation	Parkview LaGrange Hospital Foundation	Parkview Wabash Hospital Foundation	Parkview DeKalb Hospital Foundation	Share Foundation of Comm Hosp of Williams Co	Obligated Group Eliminations [1]	Credit Group Eliminations [2]	Other Eliminations	Consolidated
Revenues:													
Patient care service revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (129,415)	$ 2,604,210
Other revenue	5,050	2,672	423	183	338	91	718	30	395	(14,108)	(4,788)	(82,890)	207,840
	5,050	2,672	423	183	338	91	718	30	395	(14,108)	(4,788)	(212,305)	2,812,050
Expenses:													
Salaries and benefits	-	462	-	-	-	-	-	-	-	-	-	(138,642)	1,576,015
Supplies	-	8	-	-	-	-	-	-	-	-	-	(44,407)	533,533
Purchased services	-	120	-	-	-	-	-	-	-	(1)	(3,906)	(14,567)	218,329
Utilities, repairs and maintenance	-	-	-	-	-	-	-	-	-	-	-	-	81,078
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-	-	-	100,393
Hospital assessment fee	-	-	-	-	-	-	-	-	-	-	-	-	123,244
Interest and financing costs	-	-	-	-	-	-	-	-	-	-	-	-	29,193
Other, net	20	512	138	180	342	31	336	-	-	(14,107)	(882)	(14,689)	105,940
	20	1,102	138	180	342	31	336	-	-	(14,108)	(4,788)	(212,305)	2,767,725
Operating income (loss)	5,030	1,570	285	3	(4)	60	382	30	395	-	-	-	44,325
Nonoperating income (expense):													
Interest, dividends and realized gains (losses) on sales of investments, net	-	-	-	-	-	-	-	-	-	-	-	-	21,241
Unrealized gains on investments, net	-	-	-	-	-	-	-	-	-	-	-	-	139,327
Unrealized losses on interest rate swaps, net	-	-	-	-	-	-	-	-	-	-	-	-	9,507
Net periodic benefit expense other than service cost	-	-	-	-	-	-	-	-	-	-	-	-	6,813
Contribution of net assets without donor restrictions of Community Hospital & Wellness Centers, Inc.	-	-	-	-	-	-	-	-	-	-	-	-	59,926
Other, net	-	-	-	-	-	-	-	-	-	-	-	-	(1,812)
Excess (deficit) of revenues over expenses	5,030	1,570	285	3	(4)	60	382	30	395	-	-	-	279,327
Excess (deficit) of revenues over expenses attributable to:													
Noncontrolling interest in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	28,539
Parkview Health System, Inc. and subsidiaries	5,030	1,570	285	3	(4)	60	382	30	395	-	-	-	250,788
													-
Other changes in net assets attributable to:													-
Distributions to noncontrolling interest in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(27,951)
Parkview Health System, Inc. and subsidiaries	31,330	(17,219)	(3,324)	(833)	(2,292)	(511)	(6,441)	(119)	4,148	-	-	-	(11,831)
Increase (decrease) in net assets	36,360	(15,649)	(3,039)	(830)	(2,296)	(451)	(6,059)	(89)	4,543	-	-	-	239,545
Net assets (deficit):													
Beginning of year	-	15,649	3,039	830	2,296	451	6,059	89	-	-	-	-	2,400,017
End of year	$ 36,360	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,543	$ -	$ -	$ -	$ 2,639,562

[1] Parkview Obligated Group entity.
[2] Parkview Credit Group entity.

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Details of Consolidated Statement of Operations and Changes in Net Assets
Year Ended December 31, 2022
(In Thousands)

	Parkview Hospital, Inc. [1]	Parkview Health System, Inc. [1]	Parkview Huntington Hospital	Parkview Whitley Hospital	Parkview Noble Hospital	Parkview LaGrange Hospital [2]	Parkview Wabash Hospital [2]	Parkview DeKalb Hospital	Park Center, Inc.	Parkview Southwest Surgery Center [1]	Managed Care Services [1]	Parkview Occupational Health Centers
Revenues:												
Patient care service revenue	$ 1,881,729	$ 203,521	$ 79,486	$ 104,799	$ 74,884	$ 46,551	$ 63,513	$ 79,037	$ 28,279	$ 1,341	$ -	$ 8,526
Other revenue	229,959	36,730	2,376	3,090	1,862	583	948	9,285	15,830	-	6,206	5,828
	2,111,688	240,251	81,862	107,889	76,746	47,134	64,461	88,322	44,109	1,341	6,206	14,354
Expenses:												
Salaries and benefits	1,016,677	355,021	44,332	53,696	38,349	21,482	24,450	47,596	28,678	1,406	2,519	11,687
Supplies	408,872	58,629	7,864	11,607	7,588	3,489	7,087	14,843	948	536	42	1,103
Purchased services	95,274	58,880	7,135	8,005	7,252	6,122	13,094	7,278	1,097	165	824	1,563
Utilities, repairs and maintenance	31,639	33,851	1,974	2,587	1,668	1,374	1,667	2,626	1,227	255	12	201
Depreciation and amortization	67,944	40,245	2,099	2,733	1,651	1,559	3,587	2,493	949	272	3	158
Hospital assessment fee	73,150	1,968	2,519	3,693	2,835	2,337	3,268	2,880	783	-	-	-
Interest and financing costs	413	23,678	5	34	7	249	707	15	114	1	-	-
Other, net	281,295	(253,810)	13,260	20,930	13,793	7,429	10,130	13,579	10,763	1,137	969	3,896
	1,975,264	318,462	79,188	103,285	73,143	44,041	63,990	91,310	44,559	3,772	4,369	18,608
Operating income (loss)	136,424	(78,211)	2,674	4,604	3,603	3,093	471	(2,988)	(450)	(2,431)	1,837	(4,254)
Nonoperating income (expense):												
Interest, dividends and realized gains (losses) on sales of investments, net	485	26,277	762	1,125	(3)	(3)	(4)	236	-	-	-	-
Unrealized gains on investments, net	(4,225)	(220,880)	(6,446)	(9,509)	-	-	-	(3,932)	-	-	-	-
Unrealized losses on interest rate swaps, net	-	39,905	-	-	-	-	-	-	-	-	-	-
Loss on early refunding of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Net periodic benefit expense other than service cost	-	497	-	-	-	-	-	-	-	-	-	-
Other, net	(149)	(330)	1	2,814	(5)	-	2	(10)	(340)	-	-	-
Excess (deficit) of revenues over expenses	132,535	(232,742)	(3,009)	(966)	3,595	3,090	469	(6,694)	(790)	(2,431)	1,837	(4,254)
Excess (deficit) of revenues over expenses attributable to:												
Noncontrolling interest in subsidiaries	-	28,639	-	-	-	-	-	-	-	-	-	-
Parkview Health System, Inc. and subsidiaries	132,535	(261,381)	(3,009)	(966)	3,595	3,090	469	(6,694)	(790)	(2,431)	1,837	(4,254)
Other changes in net assets attributable to:												
Distributions to noncontrolling interest in subsidiaries	-	(29,085)	-	-	-	-	-	-	-	-	-	-
Parkview Health System, Inc. and subsidiaries	(9,923)	97,034	-	(12,007)	394	(259)	74	2,008	(111)	-	-	(17)
Increase (decrease) in net assets	122,612	(164,793)	(3,009)	(12,973)	3,989	2,831	543	(4,686)	(901)	(2,431)	1,837	(4,271)
Net assets (deficit):												
Beginning of year	691,354	1,400,197	81,808	135,811	43,268	11,921	(8,999)	62,790	10,789	(3,803)	17,933	(10,213)
End of year	$ 813,966	$ 1,235,404	$ 78,799	$ 122,838	$ 47,257	$ 14,752	$ (8,456)	$ 58,104	$ 9,888	$ (6,234)	$ 19,770	$ (14,484)

	Parkview Hospital Foundation	Parkview Huntington Hospital Foundation	Parkview Whitley Hospital Foundation	Parkview Noble Foundation	Parkview LaGrange Hospital Foundation	Parkview Wabash Hospital Foundation	Parkview DeKalb Hospital Foundation	Obligated Group Eliminations [1]	Credit Group Eliminations [2]	Other Eliminations	Consolidated
Revenues:											
Patient care service revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (114,620)	$ 2,457,046
Other revenue	(798)	(56)	(137)	(305)	25	(518)	27	(14,084)	(4,435)	(64,918)	227,498
	(798)	(56)	(137)	(305)	25	(518)	27	(14,084)	(4,435)	(179,538)	2,684,544
Expenses:											
Salaries and benefits	496	-	2	46	-	38	-	-	-	(125,992)	1,520,483
Supplies	6	-	-	-	-	-	1	-	-	(30,653)	491,962
Purchased services	125	-	-	-	-	-	-	(1)	(3,528)	(13,934)	189,351
Utilities, repairs and maintenance	3	-	-	-	-	-	-	-	-	-	79,084
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-	123,693
Hospital assessment fee	-	-	-	-	-	-	-	-	-	-	93,433
Interest and financing costs	-	-	-	-	-	-	-	-	-	-	25,223
Other, net	300	92	87	121	10	38	5	(14,083)	(907)	(8,959)	100,075
	930	92	89	167	10	76	6	(14,084)	(4,435)	(179,538)	2,623,304
Operating income (loss)	(1,728)	(148)	(226)	(472)	15	(594)	21	-	-	-	61,240
Nonoperating income (expense):											
Interest, dividends and realized gains (losses) on sales of investments, net	-	-	-	-	-	-	-	-	-	-	28,875
Unrealized gains on investments, net	-	-	-	-	-	-	-	-	-	-	(244,992)
Unrealized losses on interest rate swaps, net	-	-	-	-	-	-	-	-	-	-	39,905
Loss on early refunding of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Net periodic benefit expense other than service cost	-	-	-	-	-	-	-	-	-	-	497
Other, net	-	-	-	-	-	-	-	-	-	-	1,983
Excess (deficit) of revenues over expenses	(1,728)	(148)	(226)	(472)	15	(594)	21	-	-	-	(112,492)
Excess (deficit) of revenues over expenses attributable to:											
Noncontrolling interest in subsidiaries	-	-	-	-	-	-	-	-	-	-	28,639
Parkview Health System, Inc. and subsidiaries	(1,728)	(148)	(226)	(472)	15	(594)	21	-	-	-	(141,131)
Other changes in net assets attributable to:											-
Distributions to noncontrolling interest in subsidiaries	-	-	-	-	-	-	-	-	-	-	(29,085)
Parkview Health System, Inc. and subsidiaries	(145)	(307)	11	204	3	(51)	3	-	-	-	76,911
Increase (decrease) in net assets	(1,873)	(455)	(215)	(268)	18	(645)	24	-	-	-	(64,666)
Net assets (deficit):											
Beginning of year	17,522	3,494	1,045	2,564	433	6,704	65	-	-	-	2,464,683
End of year	$ 15,649	$ 3,039	$ 830	$ 2,296	$ 451	$ 6,059	$ 89	$ -	$ -	$ -	$ 2,400,017

[1] Parkview Obligated Group entity.
[2] Parkview Credit Group entity.