The Charlotte-Mecklenburg Hospital Authority (Atrium Health CMHA)

Basic Financial Statements and Other Financial Information
As of and for the Year Ended December 31, 2024

Document Dated as of April 9, 2025

THE CHARLOTTE-MECKLENBURG HOSPITAL AUTHORITY
(Atrium Health CMHA)
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Ernst & Young LLP
155 North Wacker Drive
Chicago, IL 60606-1787

Tel: +1 312 879 2000
Fax: +1 312 879 4000
ey.com

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Report of Independent Auditors

The Board of Directors
Advocate Health, Inc.

Opinions

We have audited the financial statements of the business-type activities, fiduciary activities, and the discretely presented component unit of The Charlotte-Mecklenburg Hospital Authority (Atrium Health CMHA, the Organization), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities, fiduciary activities, and the discretely presented component unit of Atrium Health CMHA, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit 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 Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 of material misstatement, whether due to fraud or error.

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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 Organization's ability to continue as a going concern for one year after the date that the financial statements are 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 of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 statement.

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 Organization'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 Organization's ability to continue as a going concern for a reasonable period of time.

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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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (unaudited), Schedule of Changes in Net Pension Liability and Related Ratios – Atrium Health Charlotte Defined Benefit Plan (unaudited), Schedule of Pension Contributions – Atrium Health Charlotte Defined Benefit Plan (unaudited), Schedule of Pension Plan Investment Returns – Atrium Health Charlotte Defined Benefit Plan (unaudited), Schedule of Changes in Net Pension Liability and Related Ratios – Atrium Health Navicent Defined Benefit Plan (unaudited), Schedule of Pension Contributions – Atrium Health Navicent Defined Benefit Plan (unaudited), Schedule of Pension Plan Investment Returns – Atrium Health Navicent Defined Benefit Plan (unaudited), Schedule of Changes in Net Pension Liability and Related Ratios – Atrium Health Floyd Defined Benefit Plan (unaudited), Schedule of Pension Contributions – Atrium Health Floyd Defined Benefit Plan (unaudited), Schedule of Pension Plan Investment Returns – Atrium Health Floyd Defined Benefit Plan (unaudited) as of July 1 and as of December 31, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Atrium Health CMHA's basic financial statements. The supplementary combining information of Atrium Health CMHA (including CMHA Combined Group, Atrium Health Navicent and Atrium Health Floyd) are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The information has been subjected to the

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auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other information

Management is responsible for the other information. The other information comprises the Atrium Health CMHA Annual Disclosure Statements but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Ernst & Young LLP

April 9, 2025

This Management's Discussion and Analysis provides an overview of the financial position and results of activities of The Charlotte-Mecklenburg Hospital Authority (CMHA, Atrium Health CMHA) for the years ended December 31, 2024 and 2023. Atrium Health CMHA follows guidance from the Governmental Accounting Standards Board (GASB) as it is a governmental entity. This discussion and analysis has been prepared by management and is required supplemental information to the basic financial statements of Atrium Health CMHA and the notes that follow this section. Except as otherwise noted, the financial highlights in this analysis refer exclusively to Atrium Health CMHA's Primary Enterprise as described in note 1 of the notes to the basic financial statements, including Atrium Health Charlotte, Atrium Health Navicent and Atrium Health Floyd.

Certain information set forth in the following discussion contains "forward-looking statements" regarding the future oriented financial information, business plans and the future performance of Atrium Health CMHA and the health care industry that are based on the beliefs and assumptions of the management of Atrium Health CMHA and the information available to management at the time that these disclosures were prepared. Words such as "expects," "plans," "believes," "will" and other similar expressions are intended to identify these forward-looking statements. Such statements are subject to factors that could cause actual results to differ materially from anticipated results. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this report. Actual results may differ materially from those expressed in or implied by any forward-looking statements. Atrium Health CMHA undertakes no obligation to revise or update publicly any forward-looking statements for any reason.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to Atrium Health CMHA's basic financial statements and the notes to the basic financial statements. This report also contains other required supplementary information in addition to the basic financial statements.

GASB requires three financial statements: the statement of net position (balance sheet); the statement of revenues, expenses and changes in net position; and the statement of cash flows.

The balance sheet; statement of revenue, expenses and changes in net position; and statement of cash flows are presented on an accrual basis, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). This information provides an indication of Atrium Health CMHA's financial health. The balance sheet includes all of Atrium Health CMHA's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, as well as an indication about which assets can be utilized for general purposes and which are restricted as a result of bond covenants or other agreements. The statement of revenue, expenses, and changes in net position reports the revenue and expenses during the periods indicated. The statement of cash flows reports the cash provided and used by operating activities, as well as other cash sources, such as investment income, and other cash uses, such as repayment of debt and purchase of capital.

Atrium Health CMHA applies the provisions of GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying fiduciary activities of governments and how those activities should be reported. As a result, the Statement of Fiduciary Net Position, and the Statement of Changes in Fiduciary Net Position for all Atrium Health CMHA defined benefit plans have been presented with the basic financial statements. Notes to the basic financial statements provide additional information that is essential for a full understanding of the data provided in the basic financial statements. Required supplementary information

relates to Atrium Health CMHA's progress in funding its obligation to provide pension benefits to its employees.

Financial Analysis and Results of Operations

Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at December 31 are summarized in Table 1 and are discussed below:

Table 1 – Summary Balance Sheet

	December 31, 2024	December 31, 2023
Current assets	$ 2,716,488	$ 2,950,259
Property and equipment, net	5,682,152	5,180,810
Other noncurrent assets	8,778,268	7,949,122
Total assets	17,176,908	16,080,191
Deferred outflows of resources	321,129	253,502
Total assets and deferred outflows of resources	$ 17,498,037	$ 16,333,693
Current liabilities	2,810,517	2,697,943
Long-term liabilities	4,055,343	4,349,353
Total liabilities	6,865,860	7,047,296
Deferred inflows of resources	198,104	173,689
Net investment in capital assets	2,364,784	1,760,023
Restricted - by donor	41,413	36,774
Unrestricted	8,027,876	7,315,911
Total net position	10,434,073	9,112,708
Total liabilities, deferred inflows of resources and net position	$ 17,498,037	$ 16,333,693

Atrium Health CMHA classifies net position as either net investment in capital assets, restricted – by donor, or unrestricted. The change in net investment in capital assets net position over the prior year was driven by additional capital expenditures and debt principal payments. The unrestricted net position increase for the year ended December 31, 2024 was driven primarily by favorable operating performance and investment returns.

Total net position of Atrium Health CMHA at December 31, 2024 increased $1,321,365 from December 31, 2023. The increase in total net position was due to positive results of operations of $587,798 and nonoperating income of $724,607, and capital and other contributions of $8,960.

Atrium Health CMHA's unrestricted cash and investment position at December 31, 2024 and 2023 was $8,265,759 and $7,626,134, respectively. More detailed information about Atrium Health CMHA's cash, investments and other financial instruments is presented in notes 5 and 6 of the notes to the basic financial statements.

Days cash on hand, as defined by the debt covenants, for the Atrium Health CMHA Combined Group (CMHA Combined Group), which consists of all entities that have either a direct obligation (Obligated Group) or indirect obligation (Designated Affiliates, of which there are currently none) to pay amounts due on Atrium Health CMHA's bonds, was 274 and 285 at December 31, 2024 and 2023, respectively.

Revenues and Expenses

Revenues, expenses and changes in net position are summarized in Table 2 and are discussed below:

Table 2 – Statement of Revenues, Expenses, and Changes in Net Position

	December 31, 2024	December 31, 2023
Revenue		
Patient service revenue	$ 10,925,097	$ 9,765,165
Other operating revenue	1,461,805	1,180,240
Total revenue	12,386,902	10,945,405
Expenses		
Salaries, wages, and benefits	6,624,716	6,010,182
Supplies and drugs	2,715,600	2,303,467
Purchased services and other expenses	1,843,239	1,584,587
Depreciation and amortization	615,549	560,105
Total expenses	11,799,104	10,458,341
Operating income	587,798	487,064
Nonoperating income		
Interest expense	(160,004)	(165,796)
Net investment income	697,756	807,990
Other nonoperating income (loss), net	186,855	(76,820)
Total nonoperating income	724,607	565,374
Excess of revenues over expenses before contributions	1,312,405	1,052,438
Capital and other contributions	8,960	13,865
Changes in net position	1,321,365	1,066,303
Beginning net position, beginning of year	9,112,708	8,046,405
Ending net position, end of year	$ 10,434,073	$ 9,112,708

Operating Revenues

Operating revenues in 2024 increased 13.2% from 2023 largely due to increases in patient volumes, service line expansions and new healthcare operations, improved payor mix, and higher reimbursement rates. Operating revenues included an additional $201,251 of recognition from the North Carolina Healthcare Access & Stabilization Program (HASP) for the period July 1 - December 31, 2023. More detail of operating revenue can be found in notes 3 and 4 of the notes to basic financial statements.

Operating Expenses

Operating expenses in 2024 increased 12.8% from the prior year. Salaries, wages, and benefits, comprising 56.1% of the total Atrium Health CMHA operating expenses in 2024, increased due to patient volume growth at hospital facilities and the medical group, and inflationary increases on wages and benefits. Other expenses, consisting primarily of pharmaceutical and supply costs, professional fees, rent and purchased services, increased 16.3%, primarily due to higher patient volumes, higher HASP assessments, including assessments related to the period July 1 - December 31, 2023 and inflationary cost increases, including the cost of new technologies.

Nonoperating Income and Losses and Contributions

Nonoperating income and losses, which consists primarily of realized and unrealized investment returns, was impacted favorably in 2024 by an increase in the market value of pooled investments.

Nonoperating activity from investment returns primarily associated with pooled investments generated income of $697,756 in 2024 compared to income of $807,990 in 2023 from equity fixed income and cash investments. More detail of the pooled investments can be found in notes 5 and 6 of the notes to basic financial statements. Interest and dividend income was $20,508 in 2024 and $22,151 in 2023. Net realized and unrealized gains were $677,248 in 2024 and $785,839 in 2023, both driven by favorable market performance.

Other net nonoperating gains (losses) were $186,855 and $(76,820) for the years ended December 31, 2024 and 2023, respectively, including, in 2024, $200,000 of grant revenues related to Federal Emergency Management Agency proceeds and in 2023, the funding of a $47,000 academic endowment to Atrium Health Wake Forest Baptist.

Property and Equipment and Debt Administration
Property and Equipment

Property and equipment, net of depreciation, at December 31, 2024 and 2023 are summarized in Table 3 and are discussed below.

Table 3 – Property and Equipment, Net of Depreciation

	December 31, 2024	December 31, 2023
Land	$ 482,279	$ 441,468
Land improvements	117,164	$ 131,535
Buildings and other improvements	5,732,382	5,520,431
Fixed and movable equipment	2,980,875	3,367,719
Construction- in-progress	1,145,956	881,127
Subtotal	10,458,656	10,342,280
Accumulated depreciation	(4,776,504)	(5,161,470)
Property and equipment, net	$ 5,682,152	$ 5,180,810

During the current year, significant additions to property and equipment in excess of $20,000 included the following:

Carolinas Medical Center Tower and Infrastructure Upgrades	$	264,550
Lake Norman New Hospital and Medical Office Buildings		118,808
Innovation District Site And Infrastructure		56,754
Wake Forest University School of Medicine Charlotte		40,637

During the prior year, significant additions to property and equipment in excess of $20,000 included the following:

Carolinas Medical Center Tower and Infrastructure Upgrades	$	176,572
Greater Charlotte & Wake Epic Electronic Health Record		39,027
Lake Norman New Hospital and Medical Office Buildings		36,871
Innovation District Site And Infrastructure		34,066
Proton Therapy and Gamma Knife		30,732
Floyd Cancer Center Building Acquisition		25,119

Ongoing capital requirements are funded from a combination of operating cash, debt proceeds, and contributions. Cash outflows related to capital additions, net of retirements, for 2024 and 2023 totaled $1,091,334 and $826,777, respectively. Total depreciation expense on property and equipment was $473,425 and $429,988 for 2024 and 2023, respectively. At December 31, 2024, Atrium Health CMHA has planned future capital spending of approximately $3,894,692 for 2025-2029 for ongoing routine and significant strategic IT and facility expansion projects. More detailed information about Atrium Health CMHA's property and equipment is presented in note 7 of the notes to the basic financial statements.

Long-Term Debt

Atrium Health Charlotte can issue debt on behalf of the CMHA Combined Group members as established under its Second Amended and Restated Bond Order, as further amended (the Bond Order). Likewise, Atrium Health Navicent can borrow on behalf of its Obligated Group members as established under its Amended and Restated Master Trust Indenture, as further amended (the Master Trust Indenture).

Debt service for the CMHA Combined Group (principal and interest payments and net interest rate swap payments, excluding refinancing activity) for 2024 and 2023 totaled $144,484 and $138,079, respectively.

The actual annual debt service coverage ratio for the CMHA Combined Group, as defined in the Bond Order (and excluding net interest rate swap payments), for 2024 and 2023 was 16.66 and 8.54, respectively. The Bond Order requires an actual annual debt service coverage ratio of not less than 1.1.

In May 2023, the CMHA Combined Group remarketed the 2007 D and F in the weekly interest rate mode to the monthly interest rate mode with a new mandatory tender date of May 28, 2026.

More detailed information about Atrium Health CMHA's outstanding debt is presented in note 10 of the notes to the basic financial statements.

Events and Factors Expected to Impact Future Periods

Healthcare is a capital-intensive industry requiring significant reinvestment to keep pace with patient care advancements, technology transformations, and demand for services. The capacity to reinvest to meet longer-term capital and program needs is dependent on a healthcare entity's ability to perform well financially. The healthcare financial performance landscape in 2025 is expected to present significant challenges, including rising expense pressures and clinical staffing concerns, but is also likely to be impacted by national healthcare policy changes and fast-evolving landscape of artificial intelligence.

Clinical labor shortages continue to provide an immediate operational concern for hospitals. *The Department of Health and Human Services* is predicting for the years 2025 through 2027 a 4% decrease in the supply of nurses, but a 7% increase in the demand, which fundamental economic principles would dictate, is a formula for an increase in costs. According to *Deloitte's 2025 US Health Care Outlook*, 58% of health system executives expect rising labor costs, clinical talent shortages and clinician burnout in 2025 to be among the top concerns for their organizations. While these concerns span the spectrum of the healthcare workforce, including physicians and therapists, nurses and technicians are still considered most critical. According to the *2024 Nursing Solutions, Inc. National Health Care Retention and RN Staffing Report,* the hospital annual turnover rate was 18.4% in 2023, the most recent data available at the date of this report. Although the rate is expected to decrease in subsequent years, the high turnover rate carries with it inherent cost inefficiency. The same article reports the registered nurse vacancy rate is currently at 9.9%, down from the last two years, but remains challengingly high. And while there has been decline in the demand and cost for travel nurses, whose average weekly pay rate decreased 3.8% in 2024 according to *Vivian Health,* the industry is now only back to pre-pandemic levels with overall contract nursing labor.

Higher supply costs will also continue to add to the economic challenges healthcare leaders face. Despite inflation rates coming down from the 40-year spikes experienced in 2022, *PWC's Health Research Institute* is projecting an 8% growth rate for 2025 in medical expense trends to be fueled by overall inflation, the rapidly rising costs of certain prescription drugs, and behavioral health demand. Utilization of GLP-1 agonists, used to regulate blood sugar levels and promote weight loss, has increased in the US by 700% from 2019 to 2023 and new studies being conducted with these drugs in Parkinson's disease, sleep apnea, and addiction are expected to further increase the patient demand and costs. Other biopharmaceutical innovation is also yielding new cell and gene therapy treatment for certain inherited rare diseases and specific types of cancers as well as yielding new treatments for neurological conditions like Alzheimer's, Parkinson's and schizophrenia. New targeted therapy and Central Nervous System (CNS) pharmaceutical advancements and innovations in recent years are projecting promising treatments for patients with these very acute diseases but will also create significant increases in healthcare costs for providers in the future.

The evolving policies of the current administration are poised to significantly influence healthcare reimbursements and costs in 2025 and beyond. One key theme in the President's agenda is an emphasis on policies that reduce government spending. Potential reimbursement impacts to healthcare providers around this agenda include: 1) reductions to Affordable Care Act (ACA) subsidies, which, in addition to lower reimbursement for providers, could result in loss of coverage for low-income citizens, likely resulting in a rise in the uninsured population; 2) site-neutral payment reforms which would have the effect of lowering outpatient Medicare reimbursement rates; 3) a restructuring of Medicaid, including rolling back ACA's Medicaid enhanced federal matching for expansion states and shifting the increased financial burden to the states; and 4) stabilizing the physician payment schedule so it will keep pace with inflation. Potential cost impacts to healthcare providers of the President's agenda mostly center around changes to the 340B drug pricing program and tariffs imposed on various US trading partners. The 340B program changes being discussed could result in tightened eligibility criteria and reductions in the number of contract pharmacies, which in turn would hinder healthcare providers' ability to purchase drugs at reduced cost to support free care and vaccines for uninsured patients, medication management, community health programs, and mental

health services. In addition to potential increased healthcare provider costs for medications, equipment, and other capital, the introduction of tariffs could also create supply chain disruptions and shortages of essential medications.

While labor, supply and policy uncertainties present significant potential headwinds to providers, AI presents opportunities. According to the *2024 EY CIO Sentiment Survey*, 49% of those healthcare Chief Information Officers surveyed saw GenAI technology as enhancing organizational value and driving a 2X investment return, but only 13% had implementation plans established. Some barriers to the slower adoption of GenAI cited by healthcare providers include cybersecurity concerns, the lack of AI standards, the sensitivity of patient data, and the magnitude of potential liability associated with patient care. *The Advisory Board* cites that while many healthcare providers have implemented GenAI and machine learning tools to reduce administrative burdens in the past, in 2025 more health systems will begin partnering with tech companies to design GenAI opportunities to improve treatments, accelerate diagnostics, and boost patient outcomes. *Forbes* recently predicted that healthcare providers in 2025 who are "early adopters" of GenAI innovations improving diagnostics, patient experience, and clinical workflows will be poised for financial success.

Atrium Health CMHA leaders are continuing to find and implement solutions for the labor and non-labor financial challenges discussed; we are actively monitoring executive and legislative developments and assessing the operational and financial implications that could arise; and we are strategically evaluating numerous GenAI opportunities to improve the health of our patients as well as improve the financial position of Atrium. However, given the unpredictable nature of the healthcare industry, the volatility of the economic and political landscape, and the novelty of GenAI prospects, future financial impacts associated with these challenges and opportunities cannot fully be determined at this time. We believe that Atrium Health CMHA, with its geographic dispersion, world-class providers and services, experienced management team, and financial strength, balanced with its commitment to redefine how, when and where care is delivered for all, is well positioned to combat the potential financial pressures and implement the clinical opportunities on our horizon.

Finance Contact

Atrium Health CMHA's financial statements are designed to present users with a general overview of Atrium Health CMHA's finances and to demonstrate Atrium Health CMHA's accountability. If you have any questions about the report or need additional financial information, please contact the Vice President of Finance, Atrium Health CMHA, 1000 Blythe Boulevard, Charlotte, NC 28203.

THE CHARLOTTE-MECKLENBURG HOSPITAL AUTHORITY
(Atrium Health CMHA)
BALANCE SHEET
(in thousands)

	December 31, 2024	
Assets	**Primary Enterprise**	**Component Unit**
Current assets		
Cash and cash equivalents	$ 792,206	$ 9,617
Short term investments	11,840	37,969
Assets limited as to use	6,274	—
Patient accounts receivable, net	1,483,342	—
Other current assets	422,826	31,253
Total current assets	2,716,488	78,839
Other assets		
Assets limited as to use	7,715,303	409,304
Property and equipment, net	5,682,152	7,047
Right-to-use assets	586,484	—
Other noncurrent assets	476,481	54,306
Total other assets	14,460,420	470,657
Total assets	17,176,908	549,496
Deferred outflows of resources	321,129	—
Total assets and deferred outflows of resources	**$ 17,498,037**	**$ 549,496**
Liabilities		
Current liabilities		
Long-term debt, current portion	$ 659,721	$ —
Lease liabilities, current portion	89,233	—
Accrued salaries and employee benefits	770,604	—
Accounts payable and other accrued liabilities	1,015,999	3,616
Third-party payors payables	274,960	—
Total current liabilities	2,810,517	3,616
Noncurrent liabilities		
Long-term debt, less current portion	2,518,784	—
Lease liabilities, less current portion	558,020	—
Obligations under swap agreements	52,076	—
Other noncurrent liabilities	926,463	3,696
Total noncurrent liabilities	4,055,343	3,696
Total liabilities	**6,865,860**	**7,312**
Deferred inflows of resources	198,104	—
Net position		
Net investment in capital assets	2,364,784	7,048
Restricted, by donor	41,413	525,406
Unrestricted	8,027,876	9,730
Total net position	**10,434,073**	**542,184**
Total liabilities, deferred inflows of resources and net position	**$ 17,498,037**	**$ 549,496**

See accompanying notes to basic financial statements.

THE CHARLOTTE-MECKLENBURG HOSPITAL AUTHORITY
(Atrium Health CMHA)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

(in thousands)

	Year Ended December 31, 2024	
	Primary Enterprise	Component Unit
Revenue		
Patient service revenue, net	$ 10,925,097	$ —
Other revenue	1,461,805	42,524
Total revenue	12,386,902	42,524
Expenses		
Salaries, wages and benefits	6,624,716	1,052
Supplies and drugs	2,715,600	—
Purchased services and other	1,843,239	37,714
Depreciation and amortization	615,549	111
Total expenses	11,799,104	38,877
Operating income	587,798	3,647
Nonoperating income		
Interest expense	(160,004)	—
Investment income	697,756	39,789
Other nonoperating income (loss), net	186,855	(7,076)
Total nonoperating income — net	724,607	32,713
Excess of revenues over expenses before capital and other contributions	1,312,405	36,360
Changes in net position		
Capital and other contributions	8,960	16,413
Change in net position	1,321,365	52,773
Net position, beginning of year	9,112,708	489,411
Net position, end of year	$ 10,434,073	$ 542,184

See accompanying notes to basic financial statements.

THE CHARLOTTE-MECKLENBURG HOSPITAL AUTHORITY
(Atrium Health CMHA)
STATEMENT OF CASH FLOWS
(in thousands)

	Year Ended December 31, 2024	
	Primary Enterprise	**Component Unit**
Cash flows from operating activities		
Receipts from third party payors and patients	$ 10,823,019	—
Payments to suppliers	(4,485,393)	(1,236)
Payments to employees	(6,540,529)	(295)
Other receipts - net	1,475,902	11,926
Net cash provided by operating activities	1,272,999	10,395
Noncapital financing activities		
Proceeds from the issuance of commercial paper	350,000	—
Retirements of commercial paper	(500,000)	—
Academic support funds disbursed to affiliate	(10,000)	—
Other activities	185,013	(7,076)
Net cash provided by (used in) noncapital financial activities	25,013	(7,076)
Cash flows from investing activities		
Investment earnings	44,175	84
Withdrawals from assets limited as to use	7,047,516	381,643
Contributions to assets limited as to use and purchases of units in investment pool	(7,168,052)	(392,643)
Acquisition of business, net of cash acquired	(117,037)	—
Purchase of equity method investments	(4,800)	—
Net cash used in investing activities	(198,198)	(10,916)
Cash flows from capital and related financing activities		
Capital expenditures	(1,091,334)	(3,417)
Interest payments on short- and long-term debt	(159,490)	—
Principal payments, refunding and retirements on short- and long-term debt	(62,221)	—
Contributions restricted for building and equipment purchases	3,515	5,621
Other contributions	17,663	9,015
Net cash (used in) provided by financing activities	(1,291,867)	11,219
Net (decrease) increase in cash and cash equivalents	(192,053)	3,622
Cash and cash equivalents:		
Beginning of year	985,019	5,995
End of year	$ 792,966	$ 9,617

Reconciliation of cash and cash equivalents to the balance sheet		
Cash and cash equivalents	792,206	9,617
Restricted cash in assets limited as to use, noncurrent	760	—
Total cash, cash equivalents and restricted cash	$ 792,966	$ 9,617
Reconciliation of operating income to net cash used in operating activities		
Operating income	$ 587,798	$ 3,647
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	615,549	111
Increase in patient accounts receivable, net	(81,403)	—
Decrease in other current assets	156,262	6,589
Decrease (increase) in other assets affecting operating activities	30,342	(212)
Increase in accounts payable and other current liabilities	152,985	345
Decrease in other liabilities affecting operating activities	(167,859)	(85)
Decrease in estimated third party payors payables	(20,675)	—
Net cash provided by operating activities	$ 1,272,999	$ 10,395

See accompanying notes to basic financial statements.

THE CHARLOTTE-MECKLENBURG HOSPITAL AUTHORITY
(Atrium Health CMHA)

Statement of Fiduciary Net Position - Pension Trust Funds

December 31, 2024

(in thousands)

Assets		
Cash and short-term investments	$	22,903
Investments at fair value:		
Corporate bonds and other debt securities		219,045
United States government obligations		46,813
Equity funds		640,650
Real estate funds		181,805
Total investments at fair value		1,088,313
Investments at net asset value		144,525
Total assets	$	1,255,741
Liabilities		
Accounts payable and other liabilities		—
Total liabilities		—
Net position restricted for pensions	$	1,255,741

See accompanying notes to basic financial statements.

THE CHARLOTTE-MECKLENBURG HOSPITAL AUTHORITY
(Atrium Health CMHA)

Statement of Changes in Fiduciary Net Position - Pension Trust Funds

For the Year Ended December 31, 2024

(in thousands)

Additions		
Employer contributions	$	36,850
Investment income:		
Change in fair value of investments		70,981
Interest and dividends		18,966
		89,947
Less investment expense		2,900
Net investment income		87,047
Total additions		123,897
Deductions		
Benefit payments		(115,308)
Administrative expense		(1,450)
Total deductions		(116,758)
Net increase in fiduciary net position		7,139
Fiduciary net position restricted for pensions:		
Beginning of year		1,248,602
End of year	$	1,255,741

See accompanying notes to basic financial statements.

1. ORGANIZATION AND BASIS OF PRESENTATION

Description of Organization

The Charlotte-Mecklenburg Hospital Authority (Atrium Health CMHA or CMHA) was organized in 1943 under the North Carolina Hospital Authorities Act. It is a public body and a body corporate and politic and, therefore, has been determined by the Internal Revenue Service to be exempt from federal and state income taxes. Atrium Health CMHA is headquartered in Charlotte, North Carolina.

Atrium Health CMHA and the Wake Forest Baptist Health System (Atrium Health WFB), including Wake Forest School of Medicine, are part of a single enterprise (the Atrium Health Enterprise), governed and managed by Atrium Health, Inc. (AHI) pursuant to a health system integration agreement and related agreements. Atrium Health CMHA and Atrium Health WFB and their affiliates maintain their separate legal existence and continue to own their own assets. No sale, transfer or other conveyance of assets or assumption of debt and liabilities occurred in connection with the formation of the Atrium Health Enterprise.

AHI and Advocate Aurora Health, Inc. (AAH), a Delaware nonprofit nonstock corporation, entered into a joint operating agreement pursuant to which they created Advocate Health, Inc. (Advocate Health), a Delaware nonprofit nonstock corporation, to manage and oversee an integrated health care delivery and academic system which focuses on meeting patients' needs by redefining how, when and where care is delivered. AHI and AAH are the two corporate members of Advocate Health. AHI and the participants in the Atrium Health Enterprise maintain their separate legal existence and no sale, transfer or other conveyance of assets or assumption of debt and liabilities occurred in connection with the formation of Advocate Health.

For financial reporting purposes under Governmental Accounting Standards (GASB), Atrium Health CMHA is divided into the "Primary Enterprise," "Discrete Component Unit," and "Fiduciary Activities." The Primary Enterprise consists of Atrium Health CMHA and all of its controlled affiliates (Atrium Health Charlotte) and three blended component units (Atrium Health Navicent, Atrium Health Floyd and Harbin Clinic LLC) described below. The Discrete Component Unit is Atrium Health Foundation (the Foundation), which raises and holds economic resources for the direct benefit of Atrium Health CMHA. The Foundation operates to raise funds to enhance, promote and support medical services, scientific education, and research. It solicits contributions for Atrium Health CMHA entities, and, in the absence of donor restrictions, its Board of Directors has discretionary control over the amounts to be distributed. Capital and operating contributions to Atrium Health CMHA from the Foundation included in the statement of revenues, expenses and changes in net position were $40,516 for the year ended December 31, 2024. The Foundation is reported on a basis consistent with Atrium Health CMHA's calendar year and is discretely presented.

Atrium Health CMHA is the sole member of AH Georgia, Inc., which is the sole member of two non-profit hospital systems in Georgia and one multi-specialty physician clinic: Navicent Health, Inc., which with its subsidiaries does business as Atrium Health Navicent in central and southern Georgia, and Floyd Healthcare Management, Inc., which with its affiliates does business as Atrium Health Floyd in

northwest Georgia and northeast Alabama. Each of Atrium Health Navicent and Atrium Health Floyd retains and appoints a majority of its Board of Directors, but Atrium Health CMHA holds customary approval rights, including approving budgets and any borrowings or discharging of debt. In addition, Atrium Health CMHA agrees to ensure, but does not formally guarantee, that neither Atrium Health Navicent nor Atrium Health Floyd defaults under any indebtedness agreements, notes or bonds, or other debt-related liabilities. Both Atrium Health Navicent and Atrium Health Floyd are component units of Atrium Health CMHA and, because a controlled subsidiary of Atrium Health CMHA is the sole member of each, financial information of both entities is blended with the Atrium Health CMHA Primary Enterprise as of and for the year ended December 31, 2024. Each of Atrium Health Navicent and Atrium Health Floyd has its own obligated group and is not part of the CMHA Combined Group described below. The basic financial statements of Atrium Health Navicent and Atrium Health Floyd are separately presented as other financial information within this report.

In April 2024, AH Georgia, Inc. purchased 100% of the issued and outstanding ownership shares of Harbin Clinic, LLC (Harbin), a privately owned multi-specialty medical clinic in the state of Georgia in exchange for $152,000. Subsequent to the transaction, a newly created board consisting of Harbin physicians and legacy board members of Atrium Health Floyd was established to govern Atrium Health Floyd. As part of Atrium Health Floyd, Harbin's financial position and results are blended with those of the Primary Enterprise as of the acquisition date. The acquisition value of the net position acquired as of the acquisition date has been determined to be $138,000 which included $104,000 of goodwill recorded in deferred outflows of resources to be amortized over 10 years.

Atrium Health CMHA issues revenue bonds (CMHA Bonds) under a Second Amended and Restated Bond Order adopted in 1997 (as amended, the Bond Order). Atrium Health CMHA and certain of its affiliates have formed an "Obligated Group" (CMHA Obligated Group) under the Bond Order. Members of the CMHA Obligated Group are jointly and severally liable for payment of CMHA Bonds and other obligations secured by the Bond Order (Parity Obligations). The Bond Order also authorizes the creation of a "Combined Group" (CMHA Combined Group), which consists of members of the CMHA Obligated Group and any affiliates designated by Atrium Health CMHA (Designated Affiliates). Only the CMHA Combined Group has a direct or indirect obligation to pay amounts due on bonds issued by Atrium Health CMHA. As of December 31, 2024, the members of the CMHA Combined Group were substantially all of the members of Atrium Health CMHA, with the exception of Atrium Health Navicent and Atrium Health Floyd (including Harbin), and the Foundation.

Basis of Presentation

The basic financial statements have been prepared on the accrual basis of accounting using the economic resources measurement focus in accordance with Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). All significant intercompany transactions have been eliminated in consolidation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of the financial statements requires management to make estimates, assumptions and judgments that affect the reported amounts of assets, liabilities and amounts disclosed in the notes to the basic financial statements at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Although estimates are considered to be fairly stated at the time made, actual results could differ materially from those estimates.

Cash Equivalents

CMHA considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Atrium Health Navicent, and Atrium Health Floyd maintain cash balances at various financial institutions. The accounts are insured by the Federal Deposit Insurance Corporation up to $250. At times, the amounts on deposit with these financial institutions exceed the insured limit. Atrium Health Charlotte follows North Carolina General Statute 159-30, whereby all deposits of CMHA are held in depositories that are either insured or covered under statewide single financial institution collateral pools (the Pooling Method). Collateral is maintained for all the depositories' governmental units in the state. The North Carolina State Treasurer monitors the Pooling Method depositories for adequate collateralization. Under the Pooling Method, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. The amount of the pledged collateral is based on an approved averaging method for noninterest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with CMHA. Because of the inability to measure the exact amount of collateral pledged for CMHA under the Pooling Method, the potential exists for under collateralization, and this risk may increase in periods of high cash flows. However, each Pooling Method Depository is subject to financial stability standards and oversight by the State Treasurer of North Carolina.

Investments

Investments in debt and equity securities with readily determinable fair values are measured at fair value using quoted market prices or otherwise observable inputs. Investments in private equity limited partnerships and derivative products (hedge funds) are reported at fair value using net asset value as a practical expedient. Commingled funds are carried at fair value based on other observable inputs. Income or loss on investments and in units in the investment pool held by AAH (including realized gains and losses, interest, dividends and unrealized gains and losses) is included in the nonoperating section of the accompanying statement of revenues, expenses and changes in net position, unless the income or loss is related to assets designated for self-insurance programs. Investment income on self-insurance trust funds is reported in other revenue in the accompanying statement of revenues, expenses and changes in net position.

In April 2024, Atrium Health CMHA purchased units in an investment pool held by AAH. Per the Investment Agreement, each participant in the pool has no ownership interest in the pool's investment assets. CMHA receives a share of the results of the investment pool based on its proportionate share of the total pooled funds based on a unitization calculation. The value of the units is adjusted each month to the current market value. If redemption is sought under the terms of the agreement, the participant is entitled to receive the fair market value of its units in cash. Investment income or loss (including realized gains and losses, interest, dividends and unrealized gains and losses) of the investment pool are included in the nonoperating section of the accompanying statement of revenues, expenses and changes in net position.

Assets Limited as to Use

Assets limited as to use consist of investments set aside by Atrium Health CMHA for future capital improvements and certain medical education and other health care programs. Atrium Health CMHA retains control of these investments and may, at its discretion, subsequently use them for other purposes. Additionally, assets limited as to use include investments held by trustees or in self-insurance trusts.

Patient Service Revenue and Accounts Receivable

Patient service revenue is reported at the amount that reflects the consideration to which Atrium Health CMHA expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including managed care payors and government programs), and others and include variable consideration for retroactive revenue adjustments due to settlement of audits, reviews and investigations.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is a possibility that recorded estimates will change by a material amount. Settlements with third-party payors for retroactive adjustments due to reviews and audits are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care in the period the related services are provided. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor, and Atrium Health CMHA's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known or as years are settled or are no longer subject to such reviews and adjustments.

For the year ended December 31, 2024, adjustments arising from changes in Atrium Health CMHA's allowances for matters subject to final settlement were not significant.

Inventories

Inventories, consisting primarily of medical supplies, pharmaceuticals and durable medical equipment, are stated at the lower of cost or net realizable value. Inventories are included in other current assets in the accompanying combined balance sheet.

Goodwill and Intangible Assets, Net

CMHA accounts for the acquisition of healthcare related businesses in accordance with GASB Statement No. 69. Any excess of purchase price over the acquisition value of net position acquired is recorded as a deferred outflow of resources and is amortized over periods that do not exceed 10 years. Any purchase price in excess of net position acquired prior to January 1, 2013 is being amortized over periods that do not exceed 25 years. Amortization is included in depreciation and amortization in the accompanying statement of revenues, expenses and changes in net position.

Asset Impairment

Atrium Health CMHA considers whether indicators of impairment are present and, if indicators are present, performs the necessary tests to determine if the carrying value of an asset is recoverable. Impairment write-downs are recognized in the accompanying statement of revenues, expenses and changes in net position as a component of operating expense at the time the impairment is identified. There were no material impairment charges recorded for the year ended December 31, 2024.

Property and Equipment, Net

Property and equipment are reported at cost or, if donated, at fair value at the date of the gift. Atrium Health CMHA capitalizes expenditures for equipment when the unit of acquisition cost is five thousand dollars or greater and the estimated useful life is greater than two years. Costs of computer software developed or obtained for internal use, including external and internal direct costs of materials and

labor directly associated with internal-use software development projects, are capitalized during the application development stage and included in property and equipment.

Depreciation is recorded on the straight-line method over the estimated useful life of each class or component of depreciable asset. Estimated lives range from two to 80 years. Depreciation is not recorded on land and construction in progress.

	Estimated Useful Life in Years
Land improvements	2-25
Buildings and other improvements	2-80
Fixed and movable equipment	2-25

Leases and Subscription-Based Information Technology Arrangements

Atrium Health CMHA has leases for real estate and equipment. Atrium Health CMHA determines if an arrangement is a lease at the inception of a contract and has both leases under which it is obligated as a lessee and leases for which it is a lessor. Leases as a lessee are included in Right-to-use assets and lease liabilities in the balance sheet. Balances related to lessor leases are included in other current assets, other noncurrent assets and deferred inflows of resources.

Atrium Health CMHA records right-to-use assets at the net present value of fixed lease payments over the lease term discounted using an appropriate incremental borrowing rate. right-to-use assets are amortized using the straight-line method over the related lease term. Amortization of right-to-use assets is included in other expenses and depreciation and amortization and interest in the accompanying statement of revenues, expenses and changes in net position.

Atrium Health CMHA contracts to use a vendor's information technology, alone or in combination with tangible property and equipment, as specified in the contract for a period of time. A subscription-based information technology arrangement (SBITA) liability is recognized at the commencement of the subscription term, which is when the subscription asset is placed into service.

Derivative Financial Instruments

Atrium Health Charlotte has adopted an Interest Rate Exchange Agreement Policy (the Policy) that governs its use of derivative instrument agreements and restricts the use of such agreements to achieving desired interest cost savings, hedging interest rate risk in financing transactions, adjusting the mix of variable and fixed rate debt exposure to appropriate levels, providing flexibility to meet financial objectives not available under then-existing market conditions and improving cash flows. The Policy does not allow Atrium Health Charlotte to speculate using derivative instrument agreements. The changes in fair value of derivative instruments that meet the criteria of an effective hedge are deferred on the balance sheet.

General and Professional Liability Risks

The provision for self-insured general and professional liability claims includes estimates of the ultimate costs for both reported claims and claims incurred but not reported. Atrium Health CMHA measures the cost of its unfunded obligations under such programs based upon actuarial calculations and records a liability on a discounted basis.

Net Position

Net position is classified as either net investment in capital assets, restricted - by donor, or unrestricted. Net investment in capital assets consists of property and equipment, net of accumulated depreciation, reduced by the outstanding balances of bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Restricted net position consists of assets generated from revenues that have third-party limitations on their use. Unrestricted net position has no third-party restrictions on use. When both restricted and unrestricted resources are available for use, generally it is Atrium Health CMHA's policy to use restricted resources first and then unrestricted resources when they are needed.

Other Revenue

Primary categories of other revenue include retail pharmacy revenue, medical education research grants and contracts, clinical integration revenue, managed care risk/quality shared savings revenue, and other miscellaneous revenue.

Nonoperating Income

Revenues and expenses related to the delivery of health care services are reported in operations. Income and losses that arise from transactions that are peripheral or incidental to Atrium Health CMHA's main purpose are included in other nonoperating income, net. Other components of nonoperating income, net primarily consist of earnings of unconsolidated entities accounted for using the equity method and other incidental transactions. Nonoperating income for the year ended December 31, 2024 also included $200,000 of grant revenues related to Federal Emergency Management Agency funds to reimburse Atrium Health CMHA for labor costs incurred during the COVID-19 pandemic.

Accounting Pronouncements Adopted

In 2022, the GASB issued Statement No 99, *Omnibus 2022,* to enhance a variety of practice issues related to the application of certain GASB Statements. Those issues include a) the use of London Interbank Offered Rate (LIBOR), accounting for Supplemental Nutrition Assistance Program (SNAP) distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63, which were adopted upon issuance of the Statement; b) leases, public private partnerships, and SBITAs, which were adopted during the year ended December 31, 2023; and c) financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53, which were required to be adopted no later than the year ended December 31, 2024. Atrium Health CMHA adopted the required components of this Statement in 2024 which had no material impact on the basic financial statements.

In 2022, the GASB issued Statement No 100, *Accounting for Changes and Error Corrections*, to enhance accounting and financial reporting requirements and provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. The provisions of this Statement were required to be adopted no later than the year ended December 31, 2024. Atrium Health adopted this Statement which had no material impact on the basic financial statements.

In 2022, the GASB issued Statement No 101, *Compensated Absences.* This Statement establishes requirements for when liabilities must be recorded for compensated absences and how those liabilities should be measured. The provisions of this Statement were required to be adopted no later than the

year ended December 31, 2024. Atrium Health CMHA adopted this Statement which had no material impact on the basic financial statements.

3. COMMUNITY BENEFIT

Atrium Health CMHA provides health care services without charge or at discounted rates to patients who meet the criteria of its financial assistance policies. Charity care services provided under those policies are not reported as patient service revenue, because payment is not anticipated while the related costs to provide the health care are included in operating expenses. Qualifying patients can receive up to 100% discounts from charges as well as extended payment plans. Atrium Health CMHA's cost of providing charity care was $219,154 for the year ended December 31, 2024, as determined using total cost to charge ratios.

In addition to the provision of charity care, Atrium Health CMHA provides significant financial support to its communities to sustain and improve health care services.

These activities include:

- The unreimbursed cost of providing care to patients covered by the Medicare and Medicaid programs.
- The cost of providing services that are not self-sustaining, for which patient service revenues are less than the costs required to provide the services. Such services benefit uninsured and low-income patients, as well as the broader community, but are not expected to be financially self-supporting.
- Other community benefits include the unreimbursed costs of community benefits programs and services for the general community, not solely for those demonstrating financial need, including the unreimbursed cost of medical education, health education, immunizations for children, support groups, health screenings and fairs.

4. REVENUE AND RECEIVABLES

Patient service revenue

The composition of net patient service revenue by payor is as follows:

	December 31, 2024	
Managed care	$ 5,121,425	47 %
Medicare	3,144,651	29 %
Medicaid	1,916,419	18 %
Self pay and other	742,602	6 %
	$ 10,925,097	100 %

Deductibles, copayments and coinsurance under third-party payment programs which are the patient's responsibility are included within the primary payor category in the table above. Net patient service revenue is shown net of provision for uncollectible accounts of approximately $962,000 for the year ended December 31, 2024.

States in which Atrium Health CMHA operate utilize supplemental reimbursement programs to increase reimbursement to providers to offset a portion of the cost of providing care to Medicaid and indigent patients. These programs are designed with input from the Centers for Medicare & Medicaid Services and are funded with a combination of state and federal resources, including assessments levied on the

providers. Under these supplemental programs, Atrium Health CMHA recognizes revenue and related expenses in the period in which amounts are estimable and collection is reasonably assured. Programs include Upper Payment Limit, Graduate Medical Education, and two directed payment programs, the North Carolina Healthcare Access & Stabilization Program (HASP) and Strengthening the Reinvestment of a Necessary-workforce in Georgia (GA-Strong).

For both North Carolina and Georgia, the state funding share consists of multiple sources including Certified Public Expenditures, Intergovernmental Transfers (IGT), and state legislated assessment payments. Under the assessment program, Atrium Health CMHA reports assessments within other operating expenses and receipts and IGTs within patient service revenue in the accompanying statement of revenues, expenses and changes in net position.

The following is a summary of the funds recognized and assessments paid under these programs:

	Classification	Year Ended December 31, 2024
Reimbursement	Patient service revenue	$ 617,369
Assessment	Purchased services and other expenses	$ 218,060

Due to the timing of state approvals for HASP funding, in addition to calendar year 2024 HASP funding, Atrium Health CMHA recognized HASP reimbursements of $201,251 and assessments of $29,340 related to the period July 1 - December 31, 2023 which are included in the table above for the year ended December 31, 2024.

There are no assurances regarding future reimbursement related to these Medicaid supplemental programs as they are subject to annual legislative and regulatory approvals that could be materially modified in the future.

Patient accounts receivable

The composition of patient accounts receivable is summarized as follows:

	December 31, 2024	
Managed care	$ 702,393	47 %
Medicare	304,124	21 %
Medicaid	177,910	12 %
Self-pay and other	298,915	20 %
	$ 1,483,342	100 %

The self-pay patient accounts receivable above include amounts due from patients for co-insurance, deductibles, and amounts due from patients without insurance. Patient accounts receivable is recorded net of allowances for uncollectible accounts of approximately $514,000.

5. CASH, CASH EQUIVALENTS, AND INVESTMENTS

As of December 31, 2024, Atrium Health Charlotte had cash and cash equivalents of $399,658. Of the total cash and cash equivalents, $374,439 was invested with the North Carolina Capital Management Trust's Government Portfolio, which has a rating of AAAm from S&P Global Ratings and AAA-mf from Moody's Investor's Service, Inc.

As of December 31, 2024, Atrium Health Navicent and Atrium Health Floyd had uncollateralized cash and cash equivalents of $131,236 and $261,312, respectively, which consisted of cash on hand,

deposits with banks and investments in highly liquid debt instruments with maturities of three months or less when purchased, excluding assets limited as to use.

Atrium Health CMHA may, for funds not required for immediate disbursement, make investments that are permissible for trustees, executors, and other fiduciaries under North Carolina and Georgia laws. Funds that are not needed for immediate operating needs and that have been designated by the governing boards for capital improvements, along with other trusteed assets, are invested in short term investments, fixed income securities, equity securities and limited partnerships. Investments included in the portfolio are reflected at fair value at the balance sheet date, as noted in the table below, with gains and losses reflected in nonoperating income in the accompanying statement of revenues, expenses and changes in net position.

The fair value of Atrium Health CMHA's interest in the investment pool (see note 2 of the notes to the basic financial statements under the header "Investments") as of December 31, 2024 was $7,538,312, which is included in assets limited as to use in the accompanying combined balance sheet. The investment pool is not SEC-registered, therefore there is no credit quality rating associated with the investment pool.

Atrium Health CMHA's pooled and non-pooled Short term investments and Assets limited as to use – current and noncurrent based on fair value as of December 31, 2024, are as follows:

	Designated for capital improvement	All other investments	Total
Short term investments	$ 2,139	$ 21,957	$ 24,096
Total fixed income	$ 14	$ 69,482	$ 69,496
Domestic equities	$ 5	$ 38,367	$ 38,372
International equities	—	8,335	8,335
Global equities	2	—	2
Total equity	$ 7	$ 46,702	$ 46,709
Real assets funds	$ —	$ 85	$ 85
Multi-strategy hedge funds	—	1,486	1,486
Private equity funds	—	53,233	53,233
Investment pool held by AAH	$ 7,347,803	$ 190,509	$ 7,538,312
Total reported value	$ 7,349,963	$ 383,454	$ 7,733,417

Investments owned by Atrium Health CMHA are exposed to various kinds and levels of risk. Custodial credit risk is the risk that Atrium Health CMHA will not be able to recover the value of its bank deposits, which are exposed to custodial credit risk if they are uninsured and uncollateralized. Fixed income investments and equity securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of Atrium Health CMHA and are held by either the counterparty or the counterparty’s trust department or agent, but not in Atrium Health CMHA’s name. With respect to fixed income investments, credit risk is the risk that an issuer or other counterparty to an investment will not fulfill their obligations as required by the fixed income security.

6. FAIR VALUE

Atrium Health CMHA accounts for certain assets and liabilities at fair value and categorizes assets and liabilities measured at fair value in the accompanying basic financial statements based upon whether the inputs used to determine their fair values are observable or unobservable. Observable inputs are inputs that are based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about pricing the asset or liability, based on the best information available under the circumstances.

The fair value of all assets and liabilities recognized or disclosed at fair value are classified based on the lowest level of significant inputs. Assets and liabilities that are measured at fair value are disclosed and classified in one of the three categories. Category inputs are defined as follows:

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

Level 2 — Inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 — Inputs that are unobservable for the asset or liability for which there is little or no market data.

Net Asset Value (NAV) - Certain investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in the table below are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the accompanying balance sheet.

The following section describes the valuation methodologies used by Atrium Health CMHA to measure financial assets and liabilities at fair value. In general, where applicable, Atrium Health CMHA uses quoted prices in active markets for identical assets and liabilities to determine fair value. This pricing methodology applies to Level 1 investments, such as domestic and international equities, exchange-traded funds and agency securities.

If quoted prices in active markets for identical assets and liabilities are not available to determine the fair value, then quoted prices for similar assets and liabilities or inputs other than quoted prices that are observable either directly or indirectly are used. These investments are included in Level 2 and consist primarily of corporate notes and bonds, foreign government bonds, mortgage-backed securities, fixed-income securities, including fixed-income government obligations, commercial paper and certain agency, United States and international equities, which are not traded on an active exchange. The fair value for the obligations under swap agreements included in Level 2 is estimated using industry-standard valuation models. These models project future cash flows and discount the future amounts to a present value using market-based observable inputs, including interest rate curves. The fair values of the obligation under swap agreements include adjustments related to Atrium Health CMHA's credit risk.

The fair value of Atrium Health CMHA's interest in the investment pool is determined using the calculated NAV provided by the investment pool. The redemption notice period for the investment pool is 30 days.

The classification of investments in the fair value hierarchy is not necessarily an indication of the risks, liquidity, or degree of difficulty in estimating the fair value of each investment's underlying assets and

liabilities. In general, for Level 2, Level 3, and NAV investments, Atrium Health CMHA utilizes the investment manager of the asset to provide a valuation estimate based on disclosed techniques and processes, which have been reviewed by management for propriety and consistency with consideration given to type and investment strategy.

The fair value for the obligations under swap agreements included in Level 2 were estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swaps. The spot rates used for discounting are further adjusted for the credit (nonpayment) risk associated with the party that is a net debtor as of the measurement date. The swap valuations are considered Level 2 liabilities and were valued at $52,076 at December 31, 2024.

The carrying values of cash and cash equivalents, accounts receivable and payable, other current assets and accrued liabilities are reasonable estimates of their fair values, due to the short-term nature of these financial instruments.

The fair values of financial assets and liabilities measured at fair value on a recurring basis are as follows:

	December 31, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Investments				
Short-term investments	$ 24,096	$ 24,096	$ —	$ —
Corporate bonds and other debt securities	10,017	—	10,017	—
United States government bonds	20,302	20,302	—	—
Bond and other debt security funds	39,177	39,177	—	—
Equity securities	46,709	46,709	—	—
	140,301	$ 130,284	$ 10,017	$ —
Investments at net asset value				
Alternative investments	54,804			
Investment pool held by AAH	7,538,312			
Total investments	$ 7,733,417			
Liabilities				
Obligations under swap agreements	$ 52,076		$ 52,076	

Atrium Health Foundation's Investments

In April 2024, the Foundation purchased units in the investment pool held by AAH. Per the Investment Agreement, each participant in the pool has no ownership interest in the pool's investment assets. The Foundation receives a share of the results of the investment pool based on its proportionate share of the total pooled funds based on a unitization calculation. The value of the units is adjusted each month to the current market value. If redemption is sought under the terms of the agreement, the participant is entitled to receive the fair market value of its units in cash. The fair value of the Foundation interest in the investment pool as of December 31, 2024 was $407,598 and is determined using the calculated

NAV provided by the investment pool. The redemption period for the investment pool is 30 days. The fair value of the Foundation non-pooled investments was $39,675 and measured at level 1.

	December 31, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Investments				
Short-term investments	$ 39,221	$ 39,221	$ —	$ —
Equity securities	314	314	—	—
Equity funds	140	140	—	—
	39,675	$ 39,675	$ —	$ —
Investments at net asset value				
Investment pool held by AAH	407,598			
Total investments	$ 447,273			

7. PROPERTY AND EQUIPMENT, NET

The components of property and equipment, net are summarized as follows as of December 31, 2024:

	Beginning Balance	Additions	Transfers	Retirements	Ending Balance
Depreciable property and equipment:					
Land improvements	$ 131,535	$ —	$ 13,292	$ (27,663)	$ 117,164
Buildings and other improvements	5,520,431	26,260	320,346	(134,655)	5,732,382
Fixed and moveable equipment	3,367,719	69,989	314,219	(771,052)	2,980,875
Depreciable property and equipment - gross	9,019,685	96,249	647,857	(933,370)	8,830,421
Accumulated depreciation	(5,161,470)	(533,152)	—	918,118	(4,776,504)
Depreciable property and equipment - net	3,858,215	(436,903)	647,857	(15,252)	4,053,917
Non-depreciable property and equipment:					
Land	441,468	7,519	44,896	(11,604)	482,279
Construction in progress	881,127	956,560	(691,731)	—	1,145,956
Property and equipment, net	$ 5,180,810	$ 527,176	$ 1,022	$ (26,856)	$ 5,682,152

Depreciation expense was $473,425 for the year ended December 31, 2024.

8. OPERATING LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

Atrium Health CMHA leases office and clinical space, land and equipment. Leases with an initial term of 12 months or less are not recorded on the balance sheet.

The depreciable lives of assets are limited by the expected lease terms. The majority of leases do not provide an implicit rate; therefore, Atrium Health CMHA has elected to use its incremental borrowing rate, which is the interest rate Atrium Health CMHA would borrow on a collateralized basis over a

similar term, as the discount rate. Atrium Health CMHA used its incremental borrowing rate on January 1, 2021 for operating leases that commenced prior to that date.

Operating leases are classified as follows within the accompanying balance sheet:

Leases	Classification	December 31, 2024
Right-to-use assets:	Right-to-use assets	
Buildings		$ 923,443
Accumulated amortization		(350,680)
Equipment		49,410
Accumulated amortization		(41,512)
Land		6,743
Accumulated amortization		(920)
Total lease assets, net		$ 586,484
Lessor receivables:		
Current receivables	Other current assets	$ 11,332
Long-term receivables	Other noncurrent assets	68,099
Total lessor receivables		$ 79,431
Lease liabilities:		
Current lease liabilities:	Lease liabilities, current portion	
Buildings		$ 82,760
Equipment		6,382
Land		91
Total current lease liabilities		$ 89,233
Long-term lease liabilities:	Lease liabilities, less current portion	
Buildings		$ 550,000
Equipment		1,749
Land		6,271
Total long-term lease liabilities		$ 558,020
Total lease liabilities		$ 647,253
Lessor deferred inflows:	Deferred inflows of resources	
Buildings		$ 39,134
Land		33,552
Total lease deferred inflows		$ 72,686

Future annual operating lease payments are as follows:

	Principal	Interest	Total
2025	$ 89,233	$ 19,781	$ 109,014
2026	80,434	17,069	97,503
2027	73,521	14,573	88,094
2028	64,514	12,333	76,847
2029	54,975	10,288	65,263
Thereafter	284,575	34,674	319,249
	$ 647,252	$ 108,718	$ 755,970

Atrium Health CMHA reported SBITA assets net of accumulated amortization of $67,612 in other noncurrent assets, a short-term SBITA liability of $36,238 in accounts payable and other accrued liabilities, and a long-term SBITA liability of $17,626 in other noncurrent liabilities, at December 31, 2024.

Future annual SBITA payments are as follows:

	Principal	Interest	Total
2025	$ 36,239	$ 2,690	$ 38,929
2026	11,279	771	12,050
2027	6,346	—	6,346
2028	—	325	325
	$ 53,864	$ 3,786	$ 57,650

9. DEFERRED OUTFLOWS OF RESOURCES AND INFLOWS OF RESOURCES

Atrium Health CMHA's deferred outflows of resources consists of the unamortized amounts related to long-term debt refunding transactions, which are being amortized over the remaining life of the debt, benefit plan differences between expected and actual investment earnings, benefit plan differences between expected and actual experience related to demographic factors, benefit plan assumption changes, and the excess cost of net position related to the acquisition of health-related businesses. The balance of the deferred outflows of resources at December 31, 2024 is composed of the following:

Refunding of Debt	$ 132,549
Employer contributions subsequent to the measurement date	36,849
Deferred outflows of resources related to Atrium Health Charlotte Plan (note 12)	22,944
Deferred outflows of resources related to Atrium Health Navicent Plan (note 12)	7,719
Deferred outflows of resources related to Atrium Health Floyd Plan (note 12)	8,018
Excess cost of net position acquired	113,050
	$ 321,129

Atrium Health CMHA's deferred inflows of resources consists of the aggregate change in fair value of swaps that are effective hedges, benefit plan differences between expected and actual experience related to demographic factors, benefit plan assumption changes, benefit plan differences between expected and actual investment earnings, and the expected future receipts of lease payments, which are being amortized over the term of leases. The balance of the deferred inflows of resources at December 31, 2024 is composed of the following:

Aggregate change in fair value of swaps (note 11)	$ 86,638
Deferred inflows of resources related to Atrium Health Charlotte Plan (note 12)	31,037
Deferred inflows of resources related to Atrium Health Navicent Plan (note 12)	7,459
Deferred inflows of resources related to Atrium Health Floyd Plan (note 12)	284
GASB 87 lessor leases (note 8)	72,686
	$ 198,104

10. LONG-TERM DEBT

Atrium Health CMHA's long-term debt, including related issuance premiums and unamortized gains on debt-related derivative instrument agreements, consists of the following:

	December 31, 2024
Atrium Health Charlotte:	
Revenue bonds and revenue refunding bonds	
Series 2005B, C, and D Variable Rate Refunding Revenue Bonds, maturing 2025 through 2026, bearing interest at variable rates which are adjusted daily (weighted average rate for the year ended December 31, 2024 was 4.20%)	16,975
Series 2007B Variable Rate Refunding Revenue Bonds, maturing 2025 through 2038, bearing interest at variable rates which are adjusted daily (weighted average rate for the year ended December 31, 2024 was 3.25%)	72,335
Series 2007C Variable Rate Refunding Revenue Bonds, maturing 2027 through 2037, bearing interest at variable rates which are adjusted daily (weighted average rate for the year ended December 31, 2024 was 3.25%)	87,635
Series 2007D Variable Rate Revenue Bonds, maturing 2041 through 2043, bearing interest at variable rates which are adjusted monthly (weighted average rate for the year ended December 31, 2024 was 4.78%)	67,140
Series 2007E Variable Rate Revenue Bonds, maturing 2041 through 2044, bearing interest at variable rates which are adjusted daily (weighted average rate for the year ended December 31, 2024 was 3.14%)	77,220
Series 2007F Variable Rate Revenue Bonds, maturing 2030 through 2042, bearing interest at variable rates which are adjusted monthly (weighted average rate for the year ended December 31, 2024 was 4.78%)	57,055
Series 2007G Variable Rate Revenue Bonds, maturing 2032 through 2041, bearing interest at variable rates which are adjusted daily (weighted average rate for the year ended December 31, 2024 was 4.20%)	111,170
Series 2007H Variable Rate Revenue Bonds, maturing 2027 through 2045, bearing interest at variable rates which are adjusted daily (weighted average rate for the year ended December 31, 2024 was 4.45%)	166,050
Series 2013A Revenue and Refunding Revenue Bonds, maturing 2025 through 2039 bearing interest at 3.5% to 5.0%	99,610
Series 2016A Refunding Revenue Bonds, maturing 2025 through 2047 bearing interest at 3.5% to 5.0%	266,840
Series 2018A Refunding Revenue Bonds, maturing 2025 through 2039 bearing interest at 4.0% to 5.0%	144,935
Series 2018B Variable Rate Revenue Bonds, maturing 2040 through 2048 bearing interest at 1.95% through long-term rate period ending October 31, 2029	50,000
Series 2018C Variable Rate Revenue Bonds, maturing 2040 through 2048 bearing interest at 3.45% through long-term rate period ending October 30, 2025	50,000
Series 2018D Variable Rate Revenue Bonds, maturing 2040 through 2048 bearing interest at 3.625% through long-term rate period ending June 14, 2027	50,000
Series 2018E Variable Rate Revenue Bonds, maturing 2040 through 2048 bearing interest at 0.80% through long-term rate period ending October 30, 2025	50,000
Series 2018F Variable Rate Revenue Bonds, maturing 2040 through 2048 bearing interest at variable rates which are adjusted weekly (weighted average rate for the year ended December 31, 2024 was 3.37%)	100,000
Series 2018G Variable Rate Revenue Bonds, maturing 2040 through 2048 bearing interest at variable rates which are adjusted daily (weighted average rate for the year ended December 31, 2024 was 3.12%)	50,000
Series 2018H Variable Rate Revenue Bonds, maturing 2040 through 2048 bearing interest at variable rates which are adjusted daily (weighted average rate for the year ended December 31, 2024 was 3.12%)	50,000
Series 2021B Variable Rate Revenue Bonds, maturing 2050 bearing interest at 3.25% through the long-term rate period ending June 14, 2027	100,000
Series 2021C Variable Rate Revenue Bonds, maturing 2050 bearing interest at 5.0% through the initial long-term rate period ending November 30, 2028	100,000
Series 2021D Variable Rate Revenue Bonds, maturing 2050 bearing interest at 5.0% through the initial long-term rate period ending November 30, 2031	100,000
Series 2021E Variable Rate Refunding Revenue Bonds, maturing 2025 through 2042, bearing interest at variable rates which are adjusted daily (weighted average rate for the year ended December 31, 2024 was 3.65%)	115,980
Series 2022A Refunding Revenue Bonds, maturing 2025 through 2043 bearing interest at 4.0% to 5.0%	116,405
	2,099,350
Taxable bonds	
Series 2015B Taxable Commercial Paper Revenue Bonds (weighted average interest rate for the year ended December 31, 2024 was 5.18%)	150,000
Series 2021A Taxable Revenue Bonds, maturing 2051 bearing interest at 3.20%	300,000
	450,000

	December 31, 2024
Other long-term debt	51,343
Commercial paper original issue discount	(1,109)
Net unamortized premiums and other debt related costs	149,232
	2,748,816
Less amounts classified as current	
Current portion of long-term debt	(490,623)
Commercial paper, net of original issue discount	(148,891)
Current portion of unamortized premiums and other debt related costs	(7,449)
Long-term debt and commercial paper, current portion	(646,963)
Total Atrium Health Charlotte Long-term debt	$ 2,101,853
Atrium Health Navicent:	
Revenue bonds and revenue refunding bonds:	
Series 2017A Revenue Anticipation Certificates, maturing 2042 through 2045 bearing interest at variable rates which are adjusted weekly (weighted average rate for the year ended December 31, 2024 was 5.48%)	40,000
Series 2017B Revenue Anticipation Certificates, maturing 2024 through 2042 bearing interest at variable rates which are adjusted weekly (weighted average rate for the year ended December 31, 2024 was 5.49%)	168,775
	208,775
Other financing arrangements:	
Taxable Variable Term Loan, maturing 2038 through 2048 bearing interest at variable rates which are adjusted weekly (weighted average rate for the year ended December 31, 2024 was 6.58%)	60,000
Less amounts classified as current:	
Current portion of long-term debt	(6,150)
Total Atrium Health Navicent Long-term debt	262,625
Atrium Health Floyd:	
Variable Term loan, (weighted average rate of 6.58% during 2024) principal payable in varying annual installments through August 2048	160,500
Interest Free Term Loan, principal payable in annual installments through November 2028	414
	160,914
Less amounts classified as current:	
Current portion of long-term debt	(6,608)
Total Atrium Health Floyd Long-term debt	154,306
Total Atrium Health CMHA Long-term debt	$ 2,518,784

A summary of Atrium Health CMHA changes in long-term debt during 2024 is as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Atrium Health Charlotte:				
Fixed rate revenue bonds	$ 958,050	$ —	$ (30,260)	$ 927,790
Variable rate revenue bonds	1,056,645	—	(3,475)	1,053,170
Commercial paper revenue bonds	300,000	350,000	(500,000)	150,000
Direct placement revenue bonds	427,790	—	(9,400)	418,390
Notes from direct borrowings	54,293	—	(2,950)	51,343
	2,796,778	350,000	(546,085)	2,600,693
Atrium Health Navicent:				
Direct placement revenue anticipation certificates	214,635	—	(5,860)	208,775
Note from direct borrowings	60,000	—	—	60,000
	274,635	—	(5,860)	268,775
Atrium Health Floyd:				
Term loans	167,422	—	(6,508)	160,914
	167,422	—	(6,508)	160,914
Combined Total	$ 3,238,835	$ 350,000	$ (558,453)	$ 3,030,382

Atrium Health Charlotte Components of Debt

Atrium Health Charlotte can issue debt on behalf of the CMHA Combined Group members as established under its the Bond Order. Debt issued under the Bond Order is payable solely from the CMHA Combined Group's revenues (as defined by the Bond Order). There are various financial covenants and restrictions contained in the Bond Order, Series Resolutions, and other debt agreements, including maintenance of a defined minimum level of annual long term debt service coverage.

Atrium Health Charlotte's Revenue Bonds (other than the Series 2015B Revenue Bonds and Series 2021A Revenue Bonds which are taxable) are tax exempt and are secured on a parity basis by and payable from Atrium Health Charlotte's revenues as defined in the Bond Order, the money and securities held in certain funds and accounts created by the applicable bond agreements and held by the bond trustee, and in the case of the CMHA Combined Group, amounts payable by the other members of the CMHA Combined Group under their respective Member Guaranty Agreement or Member Security Agreement. The tax-exempt fixed rate revenue bonds are redeemable at the option of Atrium Health Charlotte at par value upon the expiration of the 10 year no call period subsequent to their respective issuance date.

In December 2005, Atrium Health Charlotte issued Series 2005B, C and D Variable Rate Refunding Revenue Bonds. Interest on the Series 2005B, C, and D is payable monthly in arrears and principal is payable on January 15 of each year.

In August 2007, Atrium Health Charlotte issued Series 2007B and C Variable Rate Refunding Revenue Bonds. Interest on the Series 2007B and C is payable monthly in arrears and principal is payable on January 15 of each year.

In September 2007, Atrium Health Charlotte issued Series 2007D, E and F Variable Rate Revenue Bonds insured by Financial Security Assurance, Inc., now known as Assured Guaranty Municipal Corp. (AGMC). Interest on the Series 2007D, E and F is payable monthly in arrears and principal is payable on January 15 of each year. In May 2023, Atrium Health Charlotte utilized a mandatory tender process to convert Series 2007D and F from direct purchase bonds with weekly interest rate mode to direct purchase bonds with a monthly interest rate mode with a new mandatory tender date of May 28, 2026. As a result of the mandatory tender process, these bonds were deemed extinguished and the remarketed bonds were treated as a new issuance.

In September 2007, Atrium Health Charlotte issued Series 2007G Variable Rate Revenue Bonds insured by AGMC and Series 2007H Variable Rate Revenue Bonds. Interest on Series 2007G and Series 2007H is payable monthly in arrears. Principal is payable on January 15 of each year.

In May 2013, Atrium Health Charlotte issued Series 2013A Revenue and Refunding Revenue Bonds. Interest on Series 2013A is payable semiannually on January 15 and July 15 of each year and principal is payable on January 15 of each year.

In October 2015, Atrium Health Charlotte established a taxable commercial paper program providing for the issuance of up to $200,000 in aggregate taxable commercial paper revenue bonds. In November 2018, the issuance limit was increased to $400,000. The bonds issued under the commercial paper program currently carry short-term credit ratings of A-1+ from S&P Global Ratings and P-1 from Moody's Investors Service. Proceeds from the sale of commercial paper are used to pay for additional healthcare facilities or the costs of operating healthcare facilities, including general operating costs, routine capital expenditures and the acquisition and installation of healthcare equipment. Atrium Health Charlotte has established a self-liquidity program that will be used to repurchase any commercial paper that is not remarketed. Commercial paper may be issued with maturity dates from one to 270 days from the date of issuance. While management may elect to continuously roll over all or portions of the commercial paper, the principal amount of all commercial paper must be repaid by October 2055. At December 31, 2024, commercial paper totaling $150,000, with a weighted average maturity and interest rate of 84 days and 4.56% respectively, was outstanding and included within current portion of debt.

In November 2016, Atrium Health Charlotte issued Series 2016A Refunding Revenue Bonds. Interest on Series 2016A is payable semiannually on January 15 and July 15 of each year and principal is payable on January 15 of each year.

In November 2018, Atrium Health Charlotte issued Series 2018A Refunding Revenue Bonds. Interest on Series 2018A is payable semiannually on January 15 and July 15 of each year and principal is payable on January 15 of each year.

In November 2018, Atrium Health Charlotte issued Series 2018B and 2018C Variable Rate Revenue Bonds. Interest on the Series 2018B and 2018C is payable semiannually on January 15 and July 15 of each year and principal is payable on January 15 of each year.

In November 2018, Atrium Health Charlotte issued Series 2018D and 2018E Variable Rate Revenue Bonds. Interest on Series 2018D and 2018E is payable monthly in arrears and principal is payable on January 15 of each year.

In November 2018, Atrium Health Charlotte issued Series 2018F Variable Rate Revenue Bonds. Interest on Series 2018F is payable monthly in arrears and principal is payable on January 15 of each year.

Atrium Health Charlotte has established a self-liquidity program that will be used to repurchase any Series 2018F Variable Rate Bonds that are not remarketed.

In December 2018, Atrium Health Charlotte issued Series 2018G and 2018H Variable Rate Revenue Bonds. Interest on the Series 2018 G and 2018 H Variable Rate Revenue Bonds is payable monthly in arrears and principal is payable on January 15 of each year.

In May 2021, Atrium Health Charlotte issued Series 2021A Taxable Revenue Bonds. Interest on the Series 2021A Taxable Revenue Bonds is payable semiannually on January 15 and July 15 of each year and principal is payable on January 15 of each year.

In May 2021, Atrium Health Charlotte issued Series 2021B, C, and D Variable Rate Revenue Bonds. Interest on Series 2021B, C, and D is payable semiannually on January 15 and July 15 of each year and principal is payable on January 15 of each year.

In July 2021, Atrium Health Charlotte issued Series 2021E Variable Rate Refunding Revenue Bonds. Interest on the Series 2021E Variable Rate Refunding Revenue Bonds is payable monthly in arrears and principal is payable on January 15 of each year.

In February 2022, Atrium Health Charlotte issued Series 2022A Refunding Revenue Bonds. Interest on Series 2022A is payable semiannually on January 15 and July 15 of each year and principal is payable on January 15 of each year.

Premiums, net of accumulated amortization, totaled $148,840 as of December 31, 2024. These costs are being amortized over the estimated duration of the related debt using the effective interest method.

Atrium Health Charlotte's parity obligation revenue bonds totaling $2,399,350 contain terms related to significant events of default with finance-related consequences. The principal of and accrued interest on all parity obligations may be accelerated if certain events of default under the Bond Order or the individual Series Resolutions occur, including: (i) failure to pay the principal of or interest on parity obligations when due and payable; (ii) failure to comply with any of the covenants, agreements, conditions or provisions of the Bond Order or any Series Resolution for a period of 30 days after receipt by Atrium Health Charlotte of a written notice from the Trustee specifying such default and requesting it be corrected; or (iii) any member of the CMHA Combined Group becomes insolvent, or the subject of insolvency proceedings, is unable or admits in writing its inability to pay its debts as they mature, makes a general assignment for the benefit of creditors to an authorized agent to liquidate any substantial amount of property or files a petition or other pleading seeking reorganization, composition, readjustment or liquidation of assets or requesting similar relief or applies to a court for the appointment of a receiver for any of its assets.

With respect to Atrium Health Charlotte's parity obligation variable rate revenue bonds totaling $1,471,560, certain agreements contain terms related to significant termination events with finance-related consequences. For revenue bonds totaling $259,970 that are supported by liquidity facilities, if certain events occur (event of insolvency, payment default, contest of validity, invalidity, and ratings downgrade below Baa3 and or BBB-), the financial institution's obligation to purchase tendered bonds of a series may be terminated immediately and without prior written notice to the owners of the bonds of that series or the Trustee. Atrium Health Charlotte will then be obligated to pay the purchase price of any bonds of a series tendered for purchase after an immediate termination of the liquidity facility for that series. In the event funds are not otherwise available on a purchase date for that series, Atrium Health Charlotte will have 90 days in which to arrange for the purchase of the tendered bonds. Atrium

Health Charlotte's failure to arrange for purchase of the tendered bonds by the end of that 90-day period is an event of default under the Series Resolution for the applicable series. For revenue bonds totaling $193,200 that are supported by direct pay letters of credit, the related reimbursement agreements set forth a number of events of default (including but not limited to failure to pay amounts due under the reimbursement agreement, failure to perform any covenant, restriction or agreement contained in the reimbursement agreement, ratings downgrade below A3 and A-, an involuntary case or other proceeding commenced against Atrium Health Charlotte seeking liquidation, reorganization or other relief with respect to bankruptcy or insolvency). If an event of default under the reimbursement agreement occurs and is continuing, the financial institution may: (i) terminate the letter of credit on a date at least 40 days after giving written notice to the Trustee that an event of default has occurred and is continuing, which will result in a mandatory purchase date; and (ii) declare all amounts due under the reimbursement agreement and all interest accrued thereon (other than payments of principal and redemption price and interest on bonds purchased with money furnished by the financial institution pursuant to the letter of credit) to be immediately due and payable.

With respect to Atrium Health Charlotte's parity obligation direct placement revenue bonds totaling $418,390, the continuing covenants agreements contain terms related to significant events of default with finance-related consequences. The principal of and accrued interest on such parity obligations may be accelerated and immediately due if certain events of default under the continuing covenants agreements occur as follows: (i) failure to pay the principal of or interest on parity obligations when due or failure to purchase the parity obligations from the financial institution on the purchase date; (ii) an event of default as defined in the Bond Order or Series Resolutions occurs and is continuing; (iii) default in the payment of any material debt when due; (iv) the credit ratings of Atrium Health Charlotte are withdrawn or reduced below Baa3 and BBB-; (iv) commencement of a voluntary case or other proceeding seeking liquidation, reorganization, arrangement, adjustment, winding-up, dissolution, composition or similar relief with respect to its debts; or (v) a representation or warranty proves to have been untrue or incomplete in any material respect. Other events of default such as the failure to observe or perform any covenant, restriction or agreement contained in the continuing covenants agreements for 30 days after receipt of written notice from the financial institutions do not allow the acceleration of parity obligations prior to a period of 180 days after notice is given by the financial institutions.

In the event bondholders elect to tender any or all of Series 2007B, C, and E Revenue Bonds, Series 2018G and H Revenue Bonds, or Series 2021E Revenue Bonds for purchase and the bonds cannot be remarketed, liquidity facilities and a direct pay letter of credit provided by two financial institutions are utilized to purchase the unremarketed bonds. Bonds held by the liquidity facility and letter of credit providers generally require payment of a higher rate of interest. The terms of these liquidity facilities and direct pay letter of credit are described in the table below.

Series	Facility type	Expiration year	Repayment period
2007B	Liquidity facility	2026	3 year
2007C	Liquidity facility	2026	3 year
2007E	Direct pay letter of credit	2025	5 year
2018G	Liquidity facility	2026	3 year
2018H	Liquidity facility	2026	3 year
2021E	Direct pay letter of credit	2026	3 year

Atrium Health Charlotte's Series 2005B, C, and D Variable Rate Refunding Revenue Bonds and Series 2007D, F, G, and H Revenue Bonds have been purchased by three financial institutions with holding periods noted in the table below that expire prior to the maturity of the respective bonds.

Series	Facility type	Expiration year
2005B, C, and D	Direct placement	2026
2007D	Direct placement	2026
2007F	Direct placement	2026
2007G	Direct placement	2026
2007H	Direct placement	2025

Atrium Health Charlotte's Series 2018B, C, D, and E and Series 2021B, C, and D Variable Rate Revenue Bonds are subject to mandatory tender for purchase at the end of the long-term rate periods noted in the table below that expire prior to the maturity of the respective bonds.

Series	Facility type	Expiration year
2018B	Long-term rate period bonds	2029
2018C	Long-term rate period bonds	2025
2018D	Long-term rate period bonds	2027
2018E	Long-term rate period bonds	2025
2021B	Long-term rate period bonds	2027
2021C	Long-term rate period bonds	2028
2021D	Long-term rate period bonds	2031

In March 2013, Atrium Health Charlotte entered into an Amended and Restated Interlocal Agreement with Cleveland County, North Carolina for the purpose of more fully integrating CHS Cleveland with Atrium Health Charlotte and enhancing Atrium Health Charlotte's ability to provide services to the residents of Cleveland County. Atrium Health Charlotte's payment to Cleveland County included an unsecured, non-interest bearing note in the original amount of $77,000, payable through 2038 which is recorded as other long-term debt at its net present value of $31,313 at December 31, 2024.

In October 2014, Atrium Health Charlotte became the sole member of Pineville LTACH/Rehab Hospital, LLC (the LLC), which owns and leases a facility to Atrium Health Charlotte. Previously, the LLC was a joint venture between Atrium Health Charlotte and an unaffiliated entity. The loan, which was not issued under the Bond Order, is secured by a leasehold deed of trust and assignment of facility leases and rents. The balance of $19,908 at December 31, 2024 is included on other long-term debt.

Atrium Health Navicent Components of Debt

Atrium Health Navicent can borrow on behalf of its Obligated Group members as established under its Amended and Restated Master Trust Indenture, as further amended (the Master Trust Indenture). There are various financial covenants and restrictions contained in the Master Trust Indenture and other debt agreements, including maintenance of a defined minimum level of annual long term debt service coverage.

Atrium Health Navicent's tax-exempt Revenue Anticipation Certificates and taxable Variable Term Loan are secured on a parity basis by and payable from Atrium Health Navicent's revenues as defined in the Master Trust Indenture, the money and securities held in certain funds and accounts created by the applicable bond agreements and held by the bond trustee. The Series 2017A and Series 2017B Certificates and taxable Variable Term Loan are subject to mandatory sinking fund redemption at a redemption price equal to the principal amount of each Bond to be redeemed plus accrued interest to

the date fixed for redemption. The Variable Term Loan is also subject to mandatory prepayment in whole, without penalty, on January 16, 2027.

In December 2017, the Macon-Bibb County Hospital Authority issued Series 2017A and Series 2017B Revenue Anticipation Certificates. Interest on Series 2017A and 2017B is payable monthly in arrears and principal is payable on August 1 of each year.

In December 2017, Atrium Health Navicent entered into a taxable Variable Term Loan with a financial institution. Interest on the Variable Term Loan is payable monthly in arrears and principal is payable on August 1 of each year.

Atrium Health Navicent's parity obligation revenue anticipation certificates and taxable variable term loan totaling $268,775 contain terms related to significant events of default with finance-related consequences. The principal of and accrued interest on all parity obligations may be accelerated if certain events of default under the Navicent Master Trust Indenture occur, including: (i) failure to make due and punctual payment of principal and interest on parity obligations; (ii) income available for debt service is less than 1.00 times annual debt service for any two consecutive years; (iii) failure to observe or perform any covenants or agreement under the Master Trust Indenture for a period of 60 days after receipt by Atrium Health Navicent of a written notice from the Master Trustee requiring the failure to be remedied; (iv) default in the payment of other indebtedness whose grace, notice and / or cure period for such payments has expired; (v) a court decree or order for relief in an involuntary case under applicable federal / state bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, or the winding up or liquidation of its affairs; (vi) commencement of a voluntary case under any applicable federal / state bankruptcy, insolvency or other similar law or consent to an order for relief in an involuntary case under such law; or (vii) an event of default under the Lease and Transfer Agreement with the Macon-Bibb County Hospital Authority.

With respect to Atrium Health Navicent's direct placement revenue anticipation certificates and note from direct borrowings totaling $268,775, the continuing covenant and credit agreement contains terms related to significant events of default with finance-related consequences. The principal of and accrued interest on such parity obligations may be accelerated and due within 7 days if certain events of default under the continuing covenant and credit agreement occurs including but not limited to the following: (i) failure to pay the principal of or interest on parity obligations when due or failure to purchase the parity obligations from the financial institution on the purchase date; (ii) default on parity debt and senior debt; (iii) invalidity of the obligations or pledge of gross revenues; (iv) an event of insolvency; or (v) termination of the Agreement and Member Substitution with Atrium Health CMHA. Other events of default such as the failure to perform any term, covenant, condition, or provision contained in the continuing covenant and credit agreement for 30 days or more do not allow the acceleration of the parity obligations prior to a period of 30 days after notice is given by the financial institution.

Atrium Health Navicent's Series 2017A and Series 2017B Revenue Anticipation Certificates have been purchased by one financial institution with holding periods noted in the table below that expire prior to the maturity of the respective obligations.

Series	Facility type	Expiration year
2017A	Direct placement	2027
2017B	Direct placement	2027

Atrium Health Floyd Components of Debt

In December 2021, Atrium Health Floyd entered into a term loan with a financial institution. Interest is payable monthly in arrears while principal is payable on July 1 of each year with the final maturity of July 1, 2043. The Term Loan is subject to a Mandatory Prepayment Date of January 16, 2027. Neither Atrium Health Charlotte nor Atrium Health Navicent have guaranteed the Atrium Health Floyd Term Loan.

Debt Covenants and Debt Service Requirements

There are various financial covenants and restrictions contained in the Bond Order, Series Resolutions, liquidity facilities, direct pay letter of credit and continuing covenants agreements for direct placements, Atrium Health Navicent's Master Trust Indenture and continuing covenant and credit agreement for direct placements and term loan, and Atrium Health Floyd's term loan agreement. As of December 31, 2024, Atrium Health Charlotte, Atrium Health Navicent, and Atrium Health Floyd were in compliance with these financial covenants.

There are no subjective acceleration clauses included in the debt agreements of Atrium Health Charlotte, Atrium Health Navicent, and Atrium Health Floyd.

For Atrium Health CMHA, interest expense was $160,004 for the year ended December 31, 2024. Interest paid to bond holders and other lenders totaled $159,490 for the year ended December 31, 2024.

Debt service requirements for Atrium Health CMHA long-term debt in future years, excluding commercial paper but including the impact of other long-term debt (note payable to a financial services company, note payable to Cleveland County and note payable to a financial institution) and interest rate swap transactions discussed in note 11, are shown in the table below. Debt service requirements, as reflected in the table, assume current interest rates on unhedged variable rate debt while net swap payments, are projected using the December 31, 2024 relationship between the Securities Information and Financial Markets Association (SIFMA) Municipal Swap Index and the one month Secured Overnight Financing Rate (SOFR).

	Fixed Rate and Variable rate Revenue bonds		Notes from Direct Borrowings and Direct Placements		TOTAL	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	$ 35,370	$ 76,079	$ 24,036	$ 39,035	$ 59,406	$ 115,114
2026	37,085	74,027	24,996	38,001	62,081	112,028
2027	40,920	72,011	24,084	36,987	65,004	108,998
2028	41,430	69,393	25,000	35,934	66,430	105,327
2029	43,425	67,024	25,867	34,841	69,292	101,865
2030-2034	255,285	278,115	142,895	156,244	398,180	434,359
2035-2039	283,260	208,695	217,370	119,535	500,630	328,230
2040-2044	264,720	158,338	346,545	32,936	611,265	191,274
2045-2049	561,350	88,823	68,655	9,351	630,005	98,174
2050-2054	418,115	15,617	—	—	418,115	15,617
	$ 1,980,960	$ 1,108,122	$ 899,448	$ 502,864	$ 2,880,408	$ 1,610,986

11. INTEREST RATE SWAP PROGRAM

The significant terms and features of Atrium Health Charlotte's interest rate swap program as of and for the year ended December 31, 2024, are summarized in the tables below. The notional amounts of the swaps effectively match the principal amounts of the associated debt. The swaps contain scheduled reductions to outstanding notional amounts that are expected to follow scheduled or anticipated reductions in the associated bonds.

Bond Series	Notional Amount	Swap Type	Issuance Date	Maturity Date	Rate Received	Rate Paid
2005B, C, and D	$ 16,975	Floating-to-fixed	January 15, 2006	January 15, 2026	75% of SOFR	5.520 %
2007B	72,335	Floating-to-fixed	August 28, 2007	January 15, 2038	SIFMA	4.360 %
2007C	87,635	Floating-to-fixed	August 28, 2007	January 15, 2037	SIFMA	4.380 %
2007D	67,140	Floating-to-fixed	September 19, 2007	January 15, 2043	62.97% of SOFR + 0.29%	3.880 %
2007E	77,220	Floating-to-fixed	September 19, 2007	January 15, 2044	62.97% of SOFR + 0.29%	3.890 %
2007F	57,055	Floating-to-fixed	September 19, 2007	January 15, 2042	62.97% of SOFR + 0.29%	3.890 %
2007G	111,170	Floating-to-fixed	September 19, 2007	January 15, 2041	62.97% of SOFR + 0.29%	3.900 %
2007H	166,050	Floating-to-fixed	September 19, 2007	January 15, 2045	62.97% of SOFR if SOFR is equal to or greater than 3.5%; 77.5% of SOFR if SOFR is less than 3.5%	3.890 %
2021E	115,980	Floating-to-fixed	January 15, 2021	January 15, 2042	70% of SOFR	1.970 %

In the event Atrium Health Charlotte's credit ratings, as determined by S&P Global Ratings and Moody's Investors Service, fall below a level of A+ or A1, respectively, Atrium Health Charlotte must post collateral on these swap agreements equal to the amount of negative fair value in excess of thresholds.

In addition to the above requirement, with respect to the AGMC-insured swap agreements, should the financial strength ratings of AGMC, as determined by S&P Global Ratings and Moody's Investors Service, fall below A- or A3, respectively, upon the request of the counterparty, Atrium Health Charlotte, at its option, must either procure replacement swap insurance policies from counterparties rated at least AAA by S&P Global Ratings and Aaa by Moody's Investors Services, respectively, or agree to post collateral on those swap agreements equal to the amount of negative fair value in excess of the thresholds.

As of December 31, 2024, no collateral was required to be posted by Atrium Health Charlotte for these swap agreements.

	Fair Value at December 31, 2024							
	Counterparty 1 (A+/Aa1)[1]			Counterparty 2 (A+/Aa3)[1]		Counterparty 3 (A+/Aa2)[1]		Total
	Uninsured		AGMC Insured (AA/A2)[2]	Uninsured		Uninsured	AGMC Insured (AA/A2)[2]	
Series 2005BCD	$ (217)							$ (217)
Series 2007B		(3,037)		(3,037)				(6,074)
Series 2007C		(3,193)		(3,193)				(6,386)
Series 2007D							(7,659)	(7,659)
Series 2007E			(4,530)				(4,542)	(9,072)
Series 2007F			(3,144)				(3,152)	(6,296)
Series 2007G			(5,617)				(5,635)	(11,252)
Series 2007H		(7,074)				(7,074)		(14,148)
Series 2021E					9,028			9,028
Total Fair Value	$ (217)	$ (13,304)	$ (13,291)	$ (6,230)	$ 9,028	$ (7,074)	$ (20,988)	$ (52,076)

Atrium Health Charlotte Ratings Thresholds[3]	Collateral Posting Thresholds						
A/A2	(25,000)	(25,000)	(25,000)	(25,000)	(55,000)	(50,000)	(50,000)
A-/A3	(5,000)	(5,000)	(5,000)	(5,000)	(20,000)	(10,000)	(10,000)

[1] S&P / Moody's Rating

[2] Credit Support Annex Posting Thresholds (in terms of posting, only applies to insured swaps where Atrium Health Charlotte has signed on to the Credit Support Annex when insurer is below A-/A3).

[3] The ratings threshold is triggered if Atrium Health Charlotte falls below A+/A1.

The fair value of the Atrium Health Charlotte swaps of $52,076, at December 31, 2024 is reported as a long-term liability on the balance sheet. Certain mandatory tender processes undertaken with the associated bonds resulted in the termination of the related hedging relationships. Although hedging relationships have been subsequently re-established, the swaps are considered off-market swaps because the fixed rates of the swaps differed from the market rates for similar swaps at the time the hedging relationship was re-established. The negative fair values of the off-market swaps are being amortized using straight-line amortization. As of December 31, 2024, Atrium Health Charlotte has determined that 14 of its 15 interest rate swaps are effective hedging derivative instruments. Because the swaps are effective hedges, aggregate changes in their fair value are deferred and are reported on the balance sheet as a deferred inflow of resources. For swaps that are ineffective hedging derivative instruments, the aggregate change in the fair value are reported on the statement of revenues, expenses and changes in net position in non-operating income. See note 6 for further discussion of the measurement techniques and inputs utilized in the measurement of the swaps' fair value.

As of December 31, 2024, 14 of the 15 swaps had a negative fair value. The negative fair value may be countered by a reduction in total interest payments required under Atrium Health Charlotte's associated variable rate revenue bonds, creating a lower synthetic interest rate. Because the coupons on the variable rate revenue bonds adjust to changing interest rates, the bonds do not have corresponding fair value increases.

As of December 31, 2024, Atrium Health Charlotte was exposed to slight credit risk as one of the swaps had a positive fair value. Atrium Health Charlotte's exposure to credit risk was $9,028, the amount of the swap's fair value.

Atrium Health Charlotte's Series 2007B, C, and E and Series 2021E bonds bear interest at a rate that is equivalent to the SIFMA rate while the Series 2005B, C and D bonds and Series 2007 D, F, G and H bonds bear interest at SOFR plus a spread. For those swaps on the SIFMA-based variable rate revenue bonds for which it receives a variable rate based on SOFR, Atrium Health Charlotte is exposed to basis risk depending upon the relationship between SIFMA and SOFR. If that relationship changes, the effective synthetic rate on the SIFMA-based variable rate revenue bonds may be higher than the intended synthetic rate. As of December 31, 2024, the SIFMA rate was 3.62% and SOFR was 4.49%, resulting in a SIFMA to SOFR relationship of approximately 80.62%.

Atrium Health Charlotte or the counterparty may terminate any of the swaps if either party fails to perform under the terms of the agreement. If any of the swaps are terminated, the associated variable rate revenue bonds would no longer carry synthetic interest rates. Also, if the swap has a negative fair value at the time of termination, Atrium Health Charlotte would be liable to the counterparty for a payment equal to the swap's fair value. Likewise, if the swap has a positive fair value at the time of termination, Atrium Health Charlotte would be entitled to a payment equal to the swap's fair value from the counterparty terminating the swap.

In August 2005, Atrium Health Navicent entered into an Ambac-insured floating- to-fixed interest rate swap agreement on its Series 2005 Revenue Anticipation Certificates, with an initial notional amount of $52,000. The swap was terminated in 2024.

Amounts recorded in the accompanying statement of revenues, expenses and changes in net position are as follows:

	Year Ended December 31, 2024
Net cash payments on interest rate swap agreements (interest expense)	$ 667
Change in fair value of interest rate swaps (other nonoperating gain, net)	$ 10,028

Debt service requirements of Atrium Health Charlotte's outstanding hedged variable rate revenue bonds and related net swap payments and Atrium Health Navicent's outstanding revenue anticipation certificates with a synthetic fixed rate and related net swap payments, assuming SIFMA and SOFR

interest rates as of the balance sheet date and the SIFMA and SOFR relationship remain the same, as of December 31, 2024, were as follows:

	Variable Rate Bonds			
	Principal	Interest	Interest Rate Swap - Net	Total
2025	$ 17,895	$ 38,178	$ 4,330	$ 60,403
2026	18,770	37,416	4,182	60,368
2027	26,225	36,349	4,080	66,654
2028	21,050	35,466	4,023	60,539
2029	22,100	34,550	3,962	60,612
2030-2034	165,795	154,149	18,275	338,219
2035-2039	263,120	107,997	13,159	384,276
2040-2044	398,555	34,274	5,285	438,114
2045-2049	6,825	11	3	6,839
	$ 940,335	$ 478,390	$ 57,299	$ 1,476,024

12. RETIREMENT PLANS

The Atrium Health CMHA maintains various employee retirement benefit plans available to qualifying employees and retirees: the Atrium Health Charlotte Defined Benefit Pension Plan ("Charlotte Plan"), Atrium Health Navicent Defined Benefit Pension Plan ("Navicent Plan") and Atrium Health Floyd Defined Benefit Pension Plan ("Floyd Plan") are collectively referred to as the "Atrium Health CMHA Plans."

Atrium Health Charlotte has a defined benefit pension plan covering substantially all employees of Atrium Health Charlotte who were employed prior to January 1, 2014 and who have attained five or more years of service. These benefits are based on years of service and the teammates' compensation. Effective January 1, 2009, the Charlotte Plan became a cash balance plan and a small group of teammates meeting specified employment, age and service criteria were grandfathered and accrued benefits under the Atrium Health Charlotte pre-cash balance formula. The Board of Commissioners of Atrium Health Charlotte or an authorized committee of the Board has the authority to amend benefit provisions.

Atrium Health Navicent has a defined benefit pension plan covering substantially all employees of Atrium Health Navicent who were employed prior to December 31, 2007 and who have attained more than five years of service. Effective January 1, 2008, plan participants under the age of 40 no longer accrue benefits under the Navicent Plan.

Atrium Health Floyd has a defined benefit pension plan covering substantially all employees of Atrium Health Floyd who were employed prior to September 30, 2005. The benefits are based on 1.75% of earnings for each year after January 1, 1998, with the total benefit subject to thirty-five years of benefit service maximum. Atrium Health Floyd's funding policy is to contribute annually an amount intended to provide not only for benefits attributed to service date but also for those expected to be earned in the future.

The Atrium Health CMHA Plans were frozen (effective the dates below) to new participants and participants ceased accruing additional pension benefits at that date.

	Frozen Date
Charlotte Plan	January 1, 2018
Navicent Plan	December 31, 2013
Floyd Plan	March 31, 2014

GASB 68 Accounting:

Effective for the 2024 results, Atrium health CMHA updated its measurement period to be January 1, 2023 through December 31, 2023, rather than July 1, 2023 through June 30, 2024 in order to align with other Advocate Health retirement plans. This change had no material impact on the basic financial statements.

The actuarial valuation establishing the net pension liability for the purposes of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, was based on the Atrium Health CMHA Plan membership data as of January 1, 2023 and rolled forward to the measurement date of December 31, 2023. The Atrium Health CMHA Plans' participant data as of December 31, 2023 is as follows:

	Charlotte Plan	Navicent Plan	Floyd Plan
Retirees and beneficiaries receiving benefits	2,799	725	608
Previously employed plan members entitled to but not yet receiving benefits	7,822	1,426	223
Employed plan members	13,815	1,140	354
Total	24,436	3,291	1,185

Annual contributions to the Atrium Health CMHA Plans are based upon actuarial calculations. Atrium Health CMHA Plans utilize the entry age normal method to determine annual contributions. There are no teammate contributions to any of the Atrium Health CMHA Plans.

Atrium Health CMHA's funding policy is to contribute such actuarially determined amounts as are necessary to provide assets sufficient to meet the benefits to be paid to Atrium Health CMHA Plans' participants. In addition, since the freezing of the Atrium Health CMHA Plans, contributions have periodically been made to the plans in addition to the annual actuarially determined amounts in an effort to reduce the unfunded actuarially accrued liability in a systematic manner. Atrium Health CMHA's contribution rate for the year ended December 31, 2023 equaled 2.3% of covered payroll for Atrium Health Charlotte. This contribution rate was determined based on a measurement date of January 1, 2023.

Atrium Health CMHA made the below contributions to their respective plans and had the below ending net pension liability as of December 31, 2024:

	Contribution	Net Pension Liability (Asset)
Charlotte Plan	$ —	$ 368,103
Navicent Plan	—	(47,467)
Floyd Plan	—	6,092
Total	$ —	$ 326,728

Expected contributions to the Atrium Health CMHA Plans for the 2024 measurement date are $36,850 for Atrium Health Charlotte.

A summary of changes in the plan's assets, benefit obligation and the resulting funded status for the Atrium Health CMHA Plans, as of December 31, 2024, is as follows:

	Charlotte Plan	Navicent Plan	Floyd Plan
Plan's assets at fair value at beginning of period	$ 892,359	$ 292,734	$ 72,619
Measurement date change	(17,918)	(13,107)	(1,688)
Actual return on plan assets	106,616	29,848	7,180
Expense paid	(194)	(1,102)	(912)
Benefits paid	(97,188)	(15,422)	(5,223)
Plan's assets at fair value at end of period	$ 883,675	$ 292,951	$ 71,976
Change in benefit obligation:			
Benefit obligation at beginning of period	$ 1,260,120	$ 257,367	$ 71,211
Measurement date change	(823)	(608)	285
Interest cost	96,856	16,188	4,660
Actuarial gain	(11,040)	—	—
Changes in assumptions	3,853	(12,041)	7,135
Benefits paid	(97,188)	(15,422)	(5,223)
Benefit obligation at end of period	$ 1,251,778	$ 245,484	$ 78,068
Plan assets (less than) greater than projected benefit obligation	$ (368,103)	$ 47,467	$ (6,092)
Net pension liability (asset) at beginning of period	$ 367,761	$ (35,367)	$ (1,408)
Net pension liability (asset) at end of period	$ 368,103	$ (47,467)	$ 6,092

The actuarial gain for the Atrium Health CMHA Plans of $11,040 was primarily driven the actual return on assets being higher than the expected rate, which created a gain amortization recognized in 2024.

Pension plan expense included in salaries, wages and benefits in the accompanying statement of revenues, expenses, and changes in net position is as follows for the Atrium Health CMHA Plans for the year ended December 31, 2024:

	Charlotte Plan	Navicent Plan	Floyd Plan
Interest cost	$ 96,856	$ 16,188	$ 4,660
Expected return on plan assets	(64,683)	(17,639)	(4,581)
Amortization of:			
Actuarial loss	4,548	12,185	3,456
Administrative expenses	194	1,102	912
Net pension expense	$ 36,915	$ 11,836	$ 4,447

The following are the Atrium Health CMHA Plans' financial instruments at the December 31, 2023 measurement date, measured at fair value on a recurring basis by the valuation hierarchy defined in note 6. FAIR VALUE:

Charlotte Plan

Description	December 31, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and short-term investments	$ 19,316	$ 19,316	$ —	$ —
Corporate bonds and other debt securities	65,271	—	65,271	—
United States government obligations	23,917	—	23,917	—
Bond and other debt security funds	72,376	43,707	28,669	—
Equity funds	444,150	286,370	157,780	—
Real estate funds	33,381	—	33,381	—
	$ 658,411	$ 349,393	$ 309,018	$ —
Investments at net asset value				
Alternative investments	225,264			
Total investments	$ 883,675			

Navicent Plan

Description	December 31, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and short-term investments	$ 1,929	$ 1,929	$ —	$ —
Corporate bonds and other debt securities	43,338	—	43,338	—
Equity funds	156,522	—	156,522	—
Real estate funds	76,659	—	76,659	—
	278,448	$ 1,929	$ 276,519	$ —
Investments at net asset value				
Alternative investments	14,503			
Total investments	$ 292,951			

Floyd Plan

Description	December 31, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and short-term investments	$ 1,260	$ 1,260	$ —	$ —
Corporate bonds and other debt securities	2,102	—	2,102	—
United States government obligations	24,215	—	24,215	—
Bond and other debt security funds	28,973	—	28,973	—
Equity funds	10,661	—	10,661	—
Real estate funds	4,765	—	4,765	—
Total investments	$ 71,976	$ 1,260	$ 70,716	$ —

Fair value methodologies for Level 1 and Level 2 are consistent with the inputs described in note 6. FAIR VALUE. Real estate commingled funds for which an active market exists are included in Level 2. Atrium Health CMHA opted to use the net asset value per share, or its equivalent, as a practical expedient for the fair value of the Atrium Health CMHA Plans' interest in hedge funds, private equity limited partnerships and real estate commingled funds. There is inherent uncertainty in such valuations and the estimated fair values may differ from the values that would have been used had a ready market for these investments existed. Private equity limited partnerships and real estate commingled funds typically have finite lives ranging from five to ten years, at the end of which all invested capital is returned. For hedge funds, the typical lockup period is one year, after which invested capital can be redeemed on a quarterly basis with at least 30 days' but no more than 90 days' notice. The Atrium Health CMHA Plans' investment assets are exposed to the same kinds and levels of risk as described in note 6. FAIR VALUE.

The table below discloses the unfunded commitments, redemption frequency and redemption notice period for investments measured at net asset value as of the December 31, 2023 measurement date:

Charlotte Plan

	2023	Unfunded commitments as of December 31, 2023	Redemption frequency	Redemption notice period
Cash and short-term investments	$ 47,829	$ —	Monthly	5 days
Corporate bonds and other debt securities	34,672	—	Daily	1 day
Equity securities	57,220	—	Monthly	15 days
Equity funds	42,324	—	Monthly	10 days
Real estate funds	43,219	12,868	N/A	N/A
	$ 225,264	$ 12,868		

Navicent Plan

	2023	Unfunded commitments as of December 31, 2023	Redemption frequency	Redemption notice period
Fixed Income-other	$ 3,214	$ —	Daily	1 day
Private equity funds	11,289	7,595	N/A	N/A
	$ 14,503	$ 7,595		

The total Atrium Health CMHA Plans' pension liability (asset) based on the December 31, 2023, measurement date was determined using the following actuarial assumptions:

	Charlotte Plan	Navicent Plan	Floyd Plan
Investment rate of return (net of investment expenses, including inflation)	8.00 %	7.00 %	5.75 %
Lump sum interest rate	6.00 %	N/A	N/A

The 2023 mortality assumption for the Atrium Health CMHA Plans was based on the Pri-2012 table (creditability adjustment factor of 95%) projected generationally from 2012 with Scale MP-2021.

The long-term investment rate of return on pension assets was determined using a combination of benchmark return information and a building-block method in which best-estimated expected real rates of return are developed for each major asset class. These expected real rates of return are weighted by the target asset allocation percentage to produce an overall expected real rate of return

which is then increased by expected inflation to produce a long-term investment rate of return on pension assets of 8.00% for Atrium Health Charlotte, 7.00% for Atrium Health Navicent and 5.75% for Atrium Health Floyd.

The target allocation, expected nominal return (which includes inflation) and the best estimates of geometric or compounded real rates of return (which are net of inflation) for each major asset class were established as of January 1, 2023, the beginning of the measurement period, and are summarized in the following table:

Charlotte Plan

Asset Class	Target allocation	Expected nominal return	Expected real rate of return
Cash and short-term investments	10.0 %	6.4 %	3.7 %
Corporate bonds and other debt securities	27.0 %	7.2 %	4.5 %
United States government obligations	8.0 %	8.3 %	5.6 %
Bond and other debt security funds	19.0 %	4.5 %	1.8 %
Equity securities	24.0 %	7.3 %	4.6 %
Equity funds	8.0 %	8.3 %	5.6 %
Real estate funds	4.0 %	5.9 %	3.2 %
Total target allocation	100.0 %		

Navicent Plan

Asset Class	Target allocation	Expected nominal return	Expected real rate of return
Cash and short-term investments	5.0 %	6.4 %	3.7 %
Corporate bonds and other debt securities	44.0 %	4.7 %	2.0 %
United States government obligations	13.0 %	7.3 %	4.6 %
Bond and other debt security funds	26.0 %	3.9 %	1.2 %
Equity securities	7.0 %	7.3 %	4.6 %
Equity funds	5.0 %	8.3 %	5.6 %
Total target allocation	100.0 %		

Floyd Plan

Asset Class	Target allocation	Expected nominal return	Expected real rate of return
Cash and short-term investments	2.0 %	3.9 %	1.2 %
Corporate bonds and other debt securities	49.0 %	5.2 %	2.5 %
United States government obligations	29.0 %	4.4 %	1.7 %
Bond and other debt security funds	3.0 %	5.5 %	2.8 %
Equity securities	11.0 %	7.3 %	4.6 %
Real estate funds	6.0 %	6.2 %	3.5 %
Total target allocation	100.0 %		

For the Atrium Health CMHA Plans year ended December 31, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 13.2% for Atrium Health Charlotte, 11.0% for Atrium Health Navicent and 10.6% for Atrium Health Floyd. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

The discount rate used to measure the total Atrium Health CMHA Plans' pension liability (asset) as of December 31, 2023 was 8.00% for Charlotte, 7.00% for Navicent and 5.75% for Floyd. The projection of

cash flows used to determine the discount rate assumed that employer contributions will be made in amounts equal to the actuarially determined contributions. Based on those assumptions, the Atrium Health CMHA Plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive teammates. Therefore, the long-term expected rate of return on pension assets was applied to all periods of projected benefit payments to determine the total pension liability (asset).

The following table presents the net Atrium Health CMHA Plans pension liability (asset) as of the December 31, 2023 measurement date calculated using the discount rate and alternatively, as required by GASB 68, what the net pension liability (asset) would be under different scenarios assuming it were calculated using a discount rate that is 1% lower or 1% higher at December 31, 2023:

	1% Decrease 7.00%	Current Rate 8.00%	1% Increase 9.00%
Charlotte Plan	$ 446,738	$ 368,103	$ 312,082
	1% Decrease 6.00%	**Current Rate 7.00%**	**1% Increase 8.00%**
Navicent Plan	$ (22,344)	$ (47,467)	$ (68,835)
	1% Decrease 4.75%	**Current Rate 5.75%**	**1% Increase 6.75%**
Floyd Plan	$ 14,773	$ 6,092	$ (806)

At December 31, 2024, Atrium Health CMHA Plans reported deferred outflows and inflows of resources as follows based on December 31, 2023 measurement date:

	Deferred outflows of resources			Deferred inflows of resources		
	Charlotte Plan	Navicent Plan	Floyd Plan	Charlotte Plan	Navicent Plan	Floyd Plan
Difference between expected and actual experience related to demographic factors	$ 16,288	$ 7,373	$ 1,178	$ (2,662)	$ (353)	$ —
Assumption changes	6,656	—	4,124	(17,912)	(7,106)	(284)
Difference between expected and actual investment earnings	—	346	2,716	(10,463)	—	—
Total	$ 22,944	$ 7,719	$ 8,018	$ (31,037)	$ (7,459)	$ (284)

Amounts reported above as deferred outflows of resources and deferred inflows of resources related to the Atrium Health CMHA Plans at December 31, 2024 will be recognized as an increase or (decrease) in pension expense for the year ended December 31, as follows:

	Charlotte Plan	Navicent Plan	Floyd Plan
2025	(16,066)	(5,068)	5,224
2026	26,169	9,152	3,473
2027	(10,832)	(1,378)	(443)
2028	(7,364)	(2,446)	(520)
Total	$ (8,093)	$ 260	$ 7,734

In addition to the defined benefit Plans, Atrium Health CMHA offers several defined contribution plans under IRS codes 401(k) and 403(b). These plans cover all full-time teammates of Atrium Health CMHA and are funded by voluntary teammate contributions and certain matching contributions by Atrium Health CMHA to their respective plans. Defined contribution plan assets are not recorded in Atrium Health CMHA's balance sheet but are held in participant-directed individual accounts and were $6,704,568 at December 31, 2024.

Total matching contribution expense was $254,329 for the year ended December 31, 2024.

Atrium Health Navicent also sponsors an unfunded postretirement health and dental plan which has a liability of $18,766 as December 31, 2024 (based on December 31, 2023 measurement date).

GASB 67 Accounting:

The Atrium Health CMHA Plans are considered fiduciary pension trust funds. The following fiduciary fund information is provided as of December 31, 2024, the year end for the three plans, in addition to information previously provided for the three plans as of December 31, 2023 regarding plan administration, membership, benefit terms, contributions, investment policy and actuarial assumptions. This information is presented as required by GASB Statement No. 67, *Financial Reporting for Pension Plans*, as no separate financial statements for these plans are issued.

The Atrium Health CMHA plans' year end is December 31. The components of the net pension liability (asset) of the Atrium Health CMHA Plans on December 31, 2024 were as follows:

	Charlotte Plan	Navicent Plan	Floyd Plan
Total pension liability	$ 1,299,672	$ 262,642	$ 77,402
Plan fiduciary net position	908,284	277,664	69,793
Net pension liability (asset)	$ 391,388	$ (15,022)	$ 7,609
Plan fiduciary net position as a percentage of total pension liability (asset)	69.9 %	105.7 %	90.2 %

The following table presents the net Atrium Health CMHA Plans pension liability (asset) as of the December 31, 2024 measurement date calculated using the discount rate and alternatively, as required by GASB 67, what the net pension liability (asset) would be under different scenarios assuming it were calculated using a discount rate that is 1% lower or 1% higher at December 31, 2024:

	1% Decrease 6.40%	Current Rate 7.40%	1% Increase 8.40%
Charlotte Plan	$ 467,308	$ 391,388	$ 33,523
	1% Decrease 5.30%	**Current Rate 6.30%**	**1% Increase 7.30%**
Navicent Plan	$ 12,198	$ (15,022)	$ 38,121
	1% Decrease 4.70%	**Current Rate 5.70%**	**1% Increase 6.70%**
Floyd Plan	$ 15,829	$ 7,609	$ 683

For the Atrium Health CMHA Plans year ended December 31, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 9.8% for Atrium Health Charlotte, 0.6% for Atrium Health Navicent and 2.0% for Atrium Health Floyd. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

The following are the Atrium Health CMHA Plans' financial instruments at December 31, 2024, measured at fair value on a recurring basis by the valuation hierarchy defined in note 6. FAIR VALUE:

Charlotte Plan

Description	December 31, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and short-term investments	$ 17,810	$ 17,810	$ —	$ —
Corporate bonds and other debt securities	140,729	46,600	94,129	—
United States government obligations	26,700	—	26,700	—
Equity funds	480,084	307,969	172,115	—
Real estate funds	111,224	—	111,224	—
	776,547	$ 372,379	$ 404,168	$ —
Investments at net asset value				
Alternative investments	131,737			
Total investments	$ 908,284			

Navicent Plan

Description	December 31, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and short-term investments	$ 3,413	$ 3,413	$ —	$ —
Corporate bonds and other debt securities	43,865	—	43,865	—
Equity funds	151,457	—	151,457	—
Real estate funds	66,141	—	66,141	—
	264,876	$ 3,413	$ 261,463	$ —
Investments at net asset value				
Alternative investments	12,788			
Total investments	$ 277,664			

Floyd Plan

Description	December 31, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and short-term investments	$ 1,680	$ 1,680	$ —	$ —
Corporate bonds and other debt securities	34,451	—	34,451	—
United States government obligations	20,113	—	20,113	—
Equity funds	9,109	—	9,109	—
Real estate funds	4,440	—	4,440	—
Total investments	$ 69,793	$ 1,680	$ 68,113	$ —

The table below discloses the unfunded commitments, redemption frequency and redemption notice period for investments measured at net asset value as of the December 31, 2024 measurement date:

	Charlotte Plan			
	2024	Unfunded commitments as of December 31, 2024	Redemption frequency	Redemption notice period
Equity funds	$ 98,173	$ —	Monthly	10 days
Private equity funds	33,564	11,316	N/A	N/A
	$ 131,737	$ 11,316		

	Navicent Plan			
	2024	Unfunded commitments as of December 31, 2024	Redemption frequency	Redemption notice period
Private equity funds	$ 12,788	$ 5,477	N/A	N/A

13. COMMITMENTS AND CONTINGENCIES

Litigation

Various federal and state agencies have initiated investigations, which are in various stages of discovery, relating to reimbursement, billing practices and other matters of Atrium Health CMHA. There can be no assurance that regulatory authorities will not challenge the System's compliance with these laws and regulations, and it is not possible to determine the impact, if any, such claims or penalties would have on Atrium Health CMHA. To foster compliance with applicable laws and regulations, Atrium Health CMHA maintains a compliance program designed to detect and correct potential violations of laws and regulations related to its programs.

Future Obligations

Atrium Health CMHA has entered into contracts for various construction and capital projects for which remaining commitments totaled approximately $1,234,365 at December 31, 2024.

Effective January 1, 2012, under the terms of an Agreement between Atrium Health CMHA and Union County, Atrium Health CMHA leases hospital real estate from, and makes annual payments to, Union County. The initial term of the Agreement remains in effect until December 31, 2061, unless earlier terminated, extended, or renewed in accordance with the provisions of the Agreement. Upon the expiration of the initial term, unless certain events of default exist, Atrium Health CMHA has the option to extend and renew the Agreement for an initial renewal term of 25 years. During the term of the Agreement, Union County has the right to require Atrium Health CMHA to purchase the hospital real estate at a stated price determined in accordance with the Agreement. If Union County elects to require Atrium Health CMHA to purchase the hospital real estate, Atrium Health CMHA will have no further obligations under the Agreement. As of December 31, 2024, the purchase price as stated in the Agreement was $124,727. The present value of Atrium Health CMHA's obligation for the annual payments, discounted using an effective interest rate of 4.34%, was $116,975 as of December 31, 2024, and is recorded on the balance sheet as a long-term liability. The liability and related interest are payable in annual installments of approximately $6,000 per year through 2061.

Additionally, as part of the Agreement between Atrium Health CMHA and Union County, Atrium Health CMHA has committed to reinvest in healthcare facilities and operations in Union County. As measured

in 15-year increments commencing January 1, 2012, Atrium Health CMHA has committed to spending in Union County no less than 75% of the capital spending ratio of Atrium Health CMHA as a whole (defined as capital investments divided by net operating revenues) but limited to 75% of the operating income of the Union Healthcare Enterprise as defined in the Agreement.

In connection with an Agreement and Member Substitution between Atrium Health CMHA and Atrium Health Navicent, Atrium Health CMHA has committed to make capital, strategic and other expenditures in its Central and Southern Georgia market totaling at least $1,000,000 over a period of 10 years beginning in 2019. Of this commitment, $616,000 remains outstanding as of December 31, 2024.

In connection with an Agreement and Member Substitution between Atrium Health CMHA and Atrium Health Floyd, Atrium Health CMHA has committed to make capital, strategic and other expenditures in its market totaling at least $650,000 over a period of 11 years beginning in 2022. Of this commitment, approximately $378,000 remains outstanding as of December 31, 2024.

In connection with the Health System Integration Agreement and related agreements between Atrium Health CMHA and Atrium Health WFB (see note 1), the Atrium Health Enterprise, which includes both Atrium Health WFB and Atrium Health CMHA, has committed to approximately $3,400,000 in planned investments into the Winston-Salem, North Carolina area over 10 years beginning in October 2020. The Enterprise has agreed to invest approximately $2,800,000 to improve facilities and fund critical investments across the communities served by Atrium Health WFB. Of this commitment, approximately $1,858,000 remains outstanding as of December 31, 2024. With Atrium Health WFB and the Wake Forest University School of Medicine forming the academic core of the Atrium Health Enterprise, the Atrium Health Enterprise also has agreed to invest nearly $600,000 to advance the academic mission of Atrium Health WFB and further elevate its national reputation, including a $150,000 academic endowment funded in March 2021 to fund additional education and research growth and a $70,000 Academic Enrichment Fund ($10,000 annually for seven years beginning in 2022) to accelerate academic initiatives. Atrium Health Charlotte and the Atrium Health Enterprise have committed to establish the academic endowment fund and to fund the Academic Enrichment Fund from non-Atrium Health WFB funds. Of this commitment, $263,000 remains outstanding as of December 31, 2024. See note 15 for more information regarding the funding of these commitments.

14. GENERAL AND PROFESSIONAL LIABILITY RISKS

Atrium Health CMHA is subject to legal proceedings and claims that arise in the course of providing healthcare services.

Atrium Health Charlotte has instituted a limited self-insurance program for professional liability and general liability claims. Self-insurance is limited to $10 million per occurrence, with no aggregate limit for the year end December 31, 2024. General liability and professional liability are also covered by umbrella liability insurance policies. In management's opinion, adequate provision has been made for amounts expected to be paid under the policy's deductible limits for asserted and unasserted claims not covered by the policy and any other uninsured liability.

15. RELATED PARTY TRANSACTIONS

As part of agreements that established Atrium Health Enterprise, Atrium Health CMHA promised to provide an Academic Enrichment Fund consisting of $10,000 per year for seven years to Atrium Health WFB. Atrium Health CMHA contributed $10,000 to Atrium Health WFB in 2024.

As part of the Advocate Health joint operating agreement as described in note 1, Atrium Health CMHA and AAH share certain expenses related to the management of Advocate Health. As of December 31, 2024, Atrium Health CMHA recorded management fees of $99,976 included in purchased services and other expenses in the statement of revenues, expenses and changes in net position, and has a net payable of $13,000 due to Advocate Health in the accompanying balance sheet.

In the normal course of business, AAH and Atrium CMHA make payments or receive payments from third parties that require cash to be exchanged between the entities. As a result of these transactions, Atrium Health CMHA has a payable of $52,114 due to AAH in the accompanying balance sheet.

16. SUBSEQUENT EVENTS

Atrium Health CMHA evaluated events and transactions subsequent to December 31, 2024 through April 9, 2025, the date of consolidated financial statement issuance.

Schedule of Changes in Net Pension Liability and Related Ratios – Atrium Health Charlotte Defined Benefit Plan (unaudited)

	December 31,								
	2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Total pension liability:									
Measurement date change	$ (823)	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Service cost	—	—	—	—	—	—	—	46,519	53,214
Interest cost	96,856	93,065	96,970	100,567	99,367	91,210	96,417	100,609	95,929
Plan amendments	—	—	—	—	7,538	—	—	—	—
Differences between expected and actual experiences	(11,040)	17,983	(7,416)	4,818	15,058	25,325	(14,720)	(23,718)	7,092
Changes of assumptions	3,853	(32,475)	4,039	6,103	21,607	5,138	(2,402)	(5,217)	20,252
Benefit payments	(97,188)	(118,643)	(172,599)	(146,316)	(122,465)	(150,638)	(146,796)	(108,339)	(106,420)
Net change in total pension liability	(8,342)	(40,070)	(79,006)	(34,828)	21,105	(28,965)	(67,501)	9,854	70,067
Total pension liability – beginning	1,260,120	1,300,190	1,379,196	1,414,024	1,392,952	1,291,461	1,358,962	1,349,108	1,279,041
Total pension liability – ending (a)	1,251,778	1,260,120	1,300,190	1,379,196	1,414,057	1,262,496	1,291,461	1,358,962	1,349,108
Plan fiduciary net position:									
Measurement date change	$ (17,918)	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Contributions – employer	—	33,978	32,777	36,570	37,378	37,473	78,526	124,181	132,884
Investment gains and other, net	106,616	78,880	(115,455)	295,675	13,096	31,478	76,644	118,972	(36,909)
Benefit payments	(97,188)	(118,643)	(172,599)	(146,316)	(122,465)	(150,638)	(146,796)	(108,339)	(106,420)
Administrative expense	(194)	(219)	(175)	(178)	(80)	(162)	(312)	(217)	(364)
Net change in plan fiduciary net position	(8,684)	(6,004)	(255,452)	185,751	(72,071)	(81,849)	8,062	134,597	(10,809)
Plan fiduciary net position – beginning	892,359	898,363	1,153,815	968,064	1,040,135	991,368	983,306	848,709	859,518
Plan fiduciary net position – ending (b)	883,675	892,359	898,363	1,153,815	968,064	909,519	991,368	983,306	848,709
Net pension liability – ending (a) – (b)	$ 368,103	$ 367,761	$ 401,827	$ 225,381	$ 445,993	$ 352,977	$ 300,093	$ 375,656	$ 500,399
Plan fiduciary net position as a percentage of the total pension liability	70.6 %	70.8 %	69.1 %	83.7 %	68.5 %	72.0 %	76.8 %	72.4 %	62.9 %
Covered-employee payroll	$1,451,363	$1,451,363	$1,530,991	$1,665,998	$1,688,456	$1,642,381	$1,804,814	$1,796,876	$1,959,073
Net pension liability as a percentage of covered-employee payroll	25.4 %	25.3 %	26.2 %	13.5 %	26.4 %	21.5 %	16.6 %	20.9 %	25.5 %

Notes to schedule:

Measurement date is December 31, 2023 for 2024 and July 1 of each prior year presented.

The schedules are intended to show information for 10 years. Additional years will be presented as the information becomes available.

Effective June 30, 2020, the Cleveland and Stanly DB Plans were merged with the Atrium Health Charlotte DB Plan which increased the beginning total pension liability by approximately $130 million and the beginning plan fiduciary net position by approximately $131 million.

See accompanying independent auditors' report.

Schedule of Pension Contributions - Atrium Health Charlotte Defined Benefit Plan (unaudited)

December 31	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered-employee payroll
2024	$ —	$ —	$ —	$ 1,451,363	— %
2023	33,978	$ 33,978	—	1,451,363	2.3 %
2022	32,777	32,777	—	1,530,991	2.1 %
2021	36,570	36,570	—	1,665,998	2.2 %
2020	37,378	37,378	—	1,688,456	2.2 %
2019	37,473	37,473	—	1,642,381	2.3 %
2018	36,326	78,526	(42,200)	1,804,814	4.4 %
2017	81,981	124,181	(42,200)	1,796,876	6.9 %
2016	90,684	132,884	(42,200)	1,959,073	6.8 %

Notes to schedule:

Valuation date	Actuarially determined contribution rates are calculated as of January 1 of the prior year, except for 2024 since the contribution year is the same as 2023.

Methods and assumptions used to determine contribution rate for 2024:

Actuarial cost method	Entry age normal with 20-year as level percent of pay, closed
Asset valuation method	5-year smoothed market
Cash balance interest credits	Varying based on historical plan (4.38%-6.5%)
Salary increases	Not applicable after 12/31/2017 due to benefit accrual freeze.
Investment rate of return	8.00%, net of pension plan investment expense, including inflation
Retirement rates	Age-graded rates from 55 to 70
Mortality	PRI-2012 sex-distinct mortality tables projected generationally with Scale MP-2021. Prior to 1/1/2020, RP-2014 with generational projection using scale MP-2018

The schedules are intended to show information for 10 years. Additional years will be presented as the information becomes available.

See accompanying independent auditors' report.

Schedule of Pension Plan Investment Returns – Atrium Health Charlotte Defined Benefit Plan (unaudited)

Defined Benefit Plan measurement date	Annual money-weighted rate of return net of investment expenses
December 31, 2023	13.2 %
July 1, 2023	9.4 %
July 1, 2022	(11.1)%
July 1, 2021	32.6 %
July 1, 2020	1.6 %
July 1, 2019	3.8 %
July 1, 2018	8.0 %
July 1, 2017	15.0 %
July 1, 2016	(4.8)%
July 1, 2015	2.4 %

Notes to schedule:

The schedules are intended to show information for 10 years. Additional years will be presented as the information becomes available.

See accompanying independent auditors' report.

Schedule of Changes in Net Pension Liability and Related Ratios – Atrium Health Navicent Defined Benefit Plan (unaudited)

	December 31,				
	2024	**2023**	**2022**	**2021**	**2020**
Total pension liability:					
Measurement date change	$ (608)	$ —	$ —	$ —	$ —
Service cost	—	—	—	—	—
Interest cost	16,188	16,283	17,551	20,195	20,004
Differences between expected and actual experiences	—	(1,957)	23,915	(2,042)	2,382
Changes of assumptions	(12,041)	—	24,743	(1,221)	(1,507)
Benefit payments	(15,422)	(14,947)	(84,452)	(19,937)	(16,741)
Net change in total pension liability	(11,883)	(621)	(18,243)	(3,005)	4,138
Total pension liability – beginning	257,367	257,988	276,231	279,236	275,098
Total pension liability – ending (a)	245,484	257,367	257,988	276,231	279,236
Plan fiduciary net position:					
Measurement date change	(13,107)	—	—	—	—
Contributions – employer	—	—	2,500	7,108	4,363
Investment gains and other, net	29,848	13,389	(25,086)	93,602	9
Benefit payments	(15,422)	(14,947)	(84,452)	(19,937)	(16,741)
Administrative expense	(1,102)	(1,974)	(1,973)	(2,202)	(2,756)
Net change in plan fiduciary net position	217	(3,532)	(109,011)	78,571	(15,125)
Plan fiduciary net position – beginning	292,734	296,266	405,277	326,706	341,831
Plan fiduciary net position – ending (b)	292,951	292,734	296,266	405,277	326,706
Net pension liability – ending (a) – (b)	$ (47,467)	$ (35,367)	$ (38,278)	$ (129,046)	$ (47,470)
Plan fiduciary net position as a percentage of the total pension liability	119.3 %	113.7 %	114.8 %	146.7 %	117.0 %
Covered-employee payroll	$ 87,966	$ 87,966	$ 94,325	$ 96,163	$ 118,953
Net pension liability as a percentage of covered-employee payroll	(54.0)%	(40.2)%	(40.6)%	(134.2)%	(39.9)%

Note to schedule:

Measurement date is December 31, 2023 for 2024 and July 1 of each prior year presented.

The schedules are intended to show information for 10 years. Additional years will be presented as the information becomes available.

See accompanying independent auditors' report.

Schedule of Pension Contributions - Atrium Health Navicent Defined Benefit Plan (unaudited)

December 31	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered-employee payroll
2024	$ —	$ —	$ —	$ 87,966	— %
2023	—	—	—	87,966	— %
2022	—	2,500	(2,500)	94,325	2.7 %
2021	—	7,108	(7,108)	96,163	7.4 %
2020	4,135	4,363	(228)	118,953	3.7 %

Notes to schedule:

Valuation date	Actuarially determined contribution rates are calculated as of January 1 of the prior year, except for 2024 since the contribution year is the same as 2023.
Methods and assumptions used to determine contribution rate for 2024:	
Actuarial cost method	Traditional unit credit
Asset valuation method	2-year smoothed market
Salary increases	Not applicable after 12/31/2013 due to benefit accrual freeze.
Minimum required contribution	ERISA plan’s minimum contribution is determined under Section 430 of the IRC.
Retirement rates	Age-graded rates from 55 to 70
Mortality	PRI-2012 sex-distinct mortality tables projected generationally with Scale MP-2021. Prior to 1/1/2020, RP-2014 with generational projection using scale MP-2018

The schedules are intended to show information for 10 years. Additional years will be presented as the information becomes available.

See accompanying independent auditors' report.

Schedule of Pension Plan Investment Returns – Atrium Health Navicent Defined Benefit Plan (unaudited)

Defined Benefit Plan measurement date	Annual money-weighted rate of return net of investment expenses
December 31, 2023	11.0 %
July 1, 2023	4.8 %
July 1, 2022	(8.9)%
July 1, 2021	29.9 %
July 1, 2020	0.5 %
July 1, 2019	5.4 %

Notes to schedule:

The schedules are intended to show information for 10 years. Additional years will be presented as the information becomes available.

See accompanying independent auditors' report.

Schedule of Changes in Net Pension Liability and Related Ratios – Atrium Health Floyd Defined Benefit Plan (unaudited)

	December 31,			
	2024	**2023**	**2022**	**2021**
Total pension liability:				
Measurement date change	$ 285	$ —	$ —	$ —
Service cost	—	—	—	—
Interest cost	4,660	4,630	4,414	2,221
Differences between expected and actual experiences	—	221	675	—
Changes of assumptions	7,135	(1,671)	(7,322)	—
Benefit payments	(5,223)	(5,232)	(5,164)	(2,518)
Net change in total pension liability	6,857	(2,052)	(7,397)	(297)
Total pension liability – beginning	71,211	73,263	80,660	80,957
Total pension liability – ending (a)	78,068	71,211	73,263	80,660
Plan fiduciary net position:				
Measurement date change	(1,688)	—	—	—
Contributions – employer	—	—	614	1,114
Investment gains and other, net	7,180	4,297	(7,691)	4,446
Benefit payments	(5,223)	(5,232)	(5,164)	(2,518)
Administrative expense	(912)	(878)	(862)	(25)
Net change in plan fiduciary net position	(643)	(1,813)	(13,103)	3,017
Plan fiduciary net position – beginning	72,619	74,432	87,535	84,518
Plan fiduciary net position – ending (b)	71,976	72,619	74,432	87,535
Net pension liability – ending (a) – (b)	$ 6,092	$ (1,408)	$ (1,169)	$ (6,875)
Plan fiduciary net position as a percentage of the total pension liability	92.2 %	102.0 %	101.6 %	108.5 %
Covered-employee payroll	$ 33,474	$ 32,839	$ 32,319	$ 32,839
Net pension liability as a percentage of covered-employee payroll	18.2 %	(4.3)%	(3.6)%	(20.9)%

Note to schedule:

Measurement date is December 31, 2023 for 2024 and July 1 of each prior year presented.

The schedules are intended to show information for 10 years. Additional years will be presented as the information becomes available.

See accompanying independent auditors' report.

Schedule of Pension Contributions - Atrium Health Floyd Defined Benefit Plan (unaudited)

December 31	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered-employee payroll
2024	$ —	$ —	$ —	$ 33,474	— %
2023	—	—	—	32,839	— %
2022	—	614	(614)	32,319	1.9 %
2021	—	1,114	(1,114)	32,839	3.4 %

Notes to schedule:

Valuation date	Actuarially determined contribution rates are calculated as of January 1, one year prior to the end of the year in which contributions are reported.

Methods and assumptions used to determine contribution rate for 2024:

Actuarial cost method	Traditional unit credit
Asset valuation method	2-year smoothed market
Salary increases	Not applicable after 10/1/2005 due to benefit accrual freeze.
Minimum required contribution	ERISA plan’s minimum contribution is determined under Section 430 of the IRC.
Retirement rates	Age-graded rates from 55 to 62
Mortality	PRI-2012 sex-distinct mortality tables projected generationally with Scale MP-2021.

The schedules are intended to show information for 10 years. Additional years will be presented as the information becomes available.

See accompanying independent auditors' report.

Schedule of Pension Plan Investment Returns – Atrium Health Floyd Defined Benefit Plan (unaudited)

Defined Benefit Plan measurement date	Annual money-weighted rate of return net of investment expenses
December 31, 2023	10.6 %
July 1, 2023	6.1 %
July 1, 2022	(10.1)%
July 1, 2021	20.2 %

Notes to schedule:

The schedules are intended to show information for 10 years. Additional years will be presented as the information becomes available.

See accompanying independent auditors' report.

Schedule of Changes in Net Pension Liability and Related Ratios – Atrium Health Charlotte Defined Benefit Plan (unaudited)

	December 31,				
	2024	**2023**	**2022**	**2021**	**2020**
Total pension liability:					
Service cost	$ —	$ —	$ —	$ —	$ —
Interest cost	96,725	93,887	94,717	98,735	99,191
Changes of benefit terms	—	—	—	—	7,811
Differences between expected and actual experiences	4,055	(9,632)	(7,986)	(146)	14,140
Changes of assumptions	40,656	(14,303)	1,591	11,803	28,432
Benefit payments	(93,542)	(97,188)	(160,383)	(151,854)	(144,489)
Net change in total pension liability	47,894	(27,236)	(72,061)	(41,462)	5,085
Total pension liability – beginning	1,251,778	1,279,014	1,351,075	1,392,537	1,387,452
Total pension liability – ending (a)	1,299,672	1,251,778	1,279,014	1,351,075	1,392,537
Plan fiduciary net position:					
Contributions – employer	34,455	33,978	32,777	36,570	37,378
Investment gains and other, net	83,851	106,616	(146,520)	157,404	131,318
Benefit payments	(93,542)	(97,188)	(160,383)	(151,854)	(144,489)
Administrative expense	(155)	(193)	(215)	(188)	(121)
Net change in plan fiduciary net position	24,609	43,213	(274,341)	41,932	24,086
Plan fiduciary net position – beginning	883,675	840,462	1,114,803	1,072,871	1,048,785
Plan fiduciary net position – ending (b)	908,284	883,675	840,462	1,114,803	1,072,871
Net pension liability – ending (a) – (b)	$ 391,388	$ 368,103	$ 438,552	$ 236,272	$ 319,666
Plan fiduciary net position as a percentage of the total pension liability	69.9 %	70.6 %	65.7 %	82.5 %	77.0 %
Covered-employee payroll	$ 1,362,722	$ 1,451,363	$ 1,530,991	$ 1,665,998	$ 1,688,456
Net pension liability as a percentage of covered-employee payroll	28.7 %	25.4 %	28.6 %	14.2 %	18.9 %

Notes to schedule:

Measurement date is December 31, 2024.

The schedules are intended to show information for 10 years. Additional years will be presented as the information becomes available.

The December 31, 2022 information reflects the merger of the Cleveland and Stanly DB plans into the Atrium DB plan effective June 30, 2021. The schedules are intended to show information for 10 years. Additional years will be presented as the information becomes available.

See accompanying independent auditors' report.

Schedule of Pension Contributions - Atrium Health Charlotte Defined Benefit Plan (unaudited)

December 31	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered-employee payroll
2024	$ 33,273	$ 34,455	$ (1,182)	$ 1,362,722	2.5 %
2023	33,978	33,978	—	1,451,363	2.3 %
2022	32,777	32,777	—	1,530,991	2.1 %
2021	36,570	36,570	—	1,665,998	2.2 %
2020	37,378	37,378	—	1,688,456	2.2 %

Notes to schedule:

Valuation date	Actuarially determined contribution rates are calculated as of January 1, one year prior to the end of the year in which contributions are reported.
Methods and assumptions used to determine contribution rate for 2024:	
Actuarial cost method	Entry age normal with 20-year as level percent of pay, closed
Asset valuation method	5-year smoothed market
Cash balance interest credits	Varying based on historical plan (4.38%-6.50%)
Salary increases	Not applicable after 12/31/2017 due to benefit accrual freeze.
Investment rate of return	8.0%, net of pension plan investment expense, including inflation
Retirement rates	Age-graded rates from 55 to 70
Mortality	PRI-2012 sex-distinct mortality tables projected generationally with Scale MP-2021. Prior to 1/1/2021, RP-2014 with generational projection using scale MP-2018

The schedules are intended to show information for 10 years. Additional years will be presented as the information becomes available.

See accompanying independent auditors' report.

Schedule of Pension Plan Investment Returns – Atrium Health Charlotte Defined Benefit Plan (unaudited)

Atrium Health Defined Benefit Plan measurement date	Annual money-weighted rate of return net of investment expenses
December 31, 2024	9.8 %
December 31, 2023	13.5 %
December 31, 2022	(13.5)%
December 31, 2021	15.0 %
December 31, 2020	14.0 %

Notes to schedule:

The schedules are intended to show information for 10 years. Additional years will be presented as the information becomes available.

See accompanying independent auditors' report.

Schedule of Changes in Net Pension Liability and Related Ratios – Atrium Health Navicent Defined Benefit Plan (unaudited)

	December 31,				
	2024	**2023**	**2022**	**2021**	**2020**
Total pension liability:					
Service cost	$ —	$ —	$ —	$ —	$ —
Interest cost	16,636	16,188	16,910	19,987	20,084
Changes in benefit terms	—	—	—	23,969	—
Differences between expected and actual experiences	371	(1,896)	(1,041)	(1,852)	854
Changes of assumptions	16,553	(12,041)	23,914	321	(904)
Benefit payments	(16,402)	(15,422)	(14,525)	(86,284)	(19,426)
Net change in total pension liability	17,158	(13,171)	25,258	(43,859)	608
Total pension liability – beginning	245,484	258,655	233,397	277,256	276,648
Total pension liability – ending (a)	262,642	245,484	258,655	233,397	277,256
Plan fiduciary net position:					
Contributions – employer	—	—	2,500	6,960	4,363
Investment gains and other, net	1,772	29,848	(49,205)	55,294	36,807
Benefit payments	(16,402)	(15,422)	(14,525)	(86,284)	(19,426)
Administrative expense	(657)	(1,102)	(1,958)	(1,980)	(2,507)
Net change in plan fiduciary net position	(15,287)	13,324	(63,188)	(26,010)	19,237
Plan fiduciary net position – beginning	292,951	279,627	342,815	368,825	349,588
Plan fiduciary net position – ending (b)	277,664	292,951	279,627	342,815	368,825
Net pension liability – ending (a) – (b)	$ (15,022)	$ (47,467)	$ (20,972)	$ (109,418)	$ (91,569)
Plan fiduciary net position as a percentage of the total pension liability	105.7 %	119.3 %	108.1 %	146.9 %	133.0 %
Covered-employee payroll	$ 90,165	$ 87,966	$ 94,325	$ 96,163	$ 112,865
Net pension liability as a percentage of covered-employee payroll	(16.7)%	(54.0)%	(22.2)%	(113.8)%	(81.1)%

Notes to schedule:

Measurement date is December 31, 2024.

The schedules are intended to show information for 10 years. Additional years will be presented as the information becomes available.

See accompanying independent auditors' report.

Schedule of Pension Contributions - Atrium Health Navicent Defined Benefit Plan (unaudited)

December 31	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered-employee payroll
2024	$ —	$ —	—	$ 90,165	— %
2023	—	—	—	87,966	— %
2022	2,500	2,500	—	94,325	2.6 %
2021	6,960	6,960	—	96,163	6.2 %
2020	4,135	4,363	(228)	112,865	3.9 %

Notes to schedule:

Valuation date	Actuarially determined contribution rates are calculated as of January 1, one year prior to the end of the year in which contributions are reported.

Methods and assumptions used to determine contribution rate for 2024:

Actuarial cost method	Traditional unit credit
Asset valuation method	2-year smoothed market
Salary increases	Not applicable after 12/31/2013 due to benefit accrual freeze.
Minimum required contribution	ERISA plan’s minimum contribution is determined under Section 430 of the IRC.
Retirement rates	Age-graded rates from 55 to 70
Mortality	PRI-2012 sex-distinct mortality tables projected generationally with Scale MP-2021. Prior to 1/1/2020, RP-2014 with generational projection using scale MP-2018

The schedules are intended to show information for 10 years. Additional years will be presented as the information becomes available.

See accompanying independent auditors' report.

Schedule of Pension Plan Investment Returns – Atrium Health Navicent Defined Benefit Plan (unaudited)

Defined Benefit Plan measurement date	Annual money-weighted rate of return net of investment expenses
December 31, 2024	0.6 %
December 31, 2023	11.3 %
December 31, 2022	(15.0)%
December 31, 2021	15.6 %
December 31, 2020	11.2 %

Notes to schedule:

The schedules are intended to show information for 10 years. Additional years will be presented as the information becomes available.

See accompanying independent auditors' report.

Schedule of Changes in Net Pension Liability and Related Ratios – Atrium Health Floyd Defined Benefit Plan (unaudited)

	December 31,			
	2024	**2023**	**2022**	**2021**
Total pension liability:				
Service cost	$ —	$ —	$ —	$ —
Interest cost	4,334	4,659	4,432	4,432
Differences between expected and actual experiences	(11)	(100)	258	—
Changes of assumptions	375	7,135	(8,192)	—
Benefit payments	(5,364)	(5,222)	(5,204)	(5,088)
Net change in total pension liability	(666)	6,472	(8,706)	(656)
Total pension liability – beginning	78,068	71,596	80,302	80,958
Total pension liability – ending (a)	77,402	78,068	71,596	80,302
Plan fiduciary net position:				
Contributions – employer	2,395	—	614	1,114
Investment gains and other, net	1,424	7,180	(11,618)	8,345
Benefit payments	(5,364)	(5,222)	(5,204)	(5,088)
Administrative expense	(638)	(912)	(869)	(882)
Net change in plan fiduciary net position	(2,183)	1,046	(17,077)	3,489
Plan fiduciary net position – beginning	71,976	70,930	88,007	84,518
Plan fiduciary net position – ending (b)	69,793	71,976	70,930	88,007
Net pension liability – ending (a) – (b)	$ 7,609	$ 6,092	$ 666	$ (7,705)
Plan fiduciary net position as a percentage of the total pension liability	90.2 %	92.2 %	99.1 %	109.6 %
Covered-employee payroll	$ 34,311	$ 32,839	$ 32,319	$ 32,839
Net pension liability as a percentage of covered-employee payroll	22.2 %	18.6 %	2.1 %	(23.5)%

Notes to schedule:

Measurement date is December 31, 2024.

The schedules are intended to show information for 10 years. Additional years will be presented as the information becomes available.

See accompanying independent auditors' report.

Schedule of Pension Contributions - Atrium Health Floyd Defined Benefit Plan (unaudited)

December 31	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered-employee payroll
2024	$ 1,109	$ 2,395	$ (1,286)	$ 34,311	7.0 %
2023	$ —	$ —	—	32,839	— %
2022	—	614	(614)	32,319	1.9 %
2021	—	1,114	(1,114)	32,839	3.4 %

Notes to schedule:

Valuation date	Actuarially determined contribution rates are calculated as of January 1, one year prior to the end of the year in which contributions are reported.

Methods and assumptions used to determine contribution rate for 2024:

Actuarial cost method	Traditional unit credit
Asset valuation method	2-year smoothed market
Salary increases	Not applicable after 10/1/2005 due to benefit accrual freeze.
Minimum required contribution	ERISA plan’s minimum contribution is determined under Section 430 of the IRC.
Retirement rates	Age-graded rates from 55 to 62
Mortality	PRI-2012 sex-distinct mortality tables projected generationally with Scale MP-2021.

The schedules are intended to show information for 10 years. Additional years will be presented as the information becomes available.

See accompanying independent auditors' report.

Schedule of Pension Plan Investment Returns – Atrium Health Floyd Defined Benefit Plan (unaudited)

Defined Benefit Plan measurement date	Annual money-weighted rate of return net of investment expenses
December 31, 2024	2.0 %
December 31, 2023	11.8 %
December 31, 2022	(13.3)%
December 31, 2021	10.1 %

Notes to schedule:

The schedules are intended to show information for 10 years. Additional years will be presented as the information becomes available.

See accompanying independent auditors' report.

THE CHARLOTTE-MECKLENBURG HOSPITAL AUTHORITY COMBINED GROUP
COMBINING BALANCE SHEET
December 31, 2024
(in thousands)

	Primary Enterprise	Atrium Health Foundation	Eliminations	Subtotal	Exclude AH Georgia, Inc.	Exclude Non-Obligated Group Affiliates	Exclude Consolidating Eliminations	Total Combined Group
Assets								
Current assets								
Cash and cash equivalents	$ 792,206	$ 9,617	$ —	$ 801,823	$ 392,548	$ 15,186	$ —	$ 394,089
Short term investments	11,840	37,969	—	49,809	11,840	—	—	37,969
Assets limited as to use	6,274	—	—	6,274	—	—	—	6,274
Patient accounts receivable, net	1,483,342	—	—	1,483,342	290,624	8,114	—	1,184,604
Other current assets	422,826	31,253	(9,341)	444,738	96,376	(53,648)	(122,836)	524,846
Total current assets	2,716,488	78,839	(9,341)	2,785,986	791,388	(30,348)	(122,836)	2,147,782
Other assets:								
Assets limited as to use	7,715,303	409,304	—	8,124,607	1,031,101	81,135		7,012,371
Property and equipment, net	5,682,152	7,047	—	5,689,199	696,414	45,078	70,000	4,877,707
Right-to-use assets	586,484	—	—	586,484	103,132	—		483,352
Other noncurrent assets	476,481	54,306	(2,376)	528,411	103,939	9,029	(172,215)	587,658
Total other assets	14,460,420	470,657	(2,376)	14,928,701	1,934,586	135,242	(102,215)	12,961,088
Total assets	17,176,908	549,496	(11,717)	17,714,687	2,725,974	104,894	(225,051)	15,108,870
Deferred outflows of resources	321,129	—	—	321,129	124,687	—	—	196,442
Total assets and deferred outflows of resources	$ 17,498,037	$ 549,496	$ (11,717)	$ 18,035,816	$ 2,850,661	$ 104,894	$ (225,051)	$ 15,305,312

THE CHARLOTTE-MECKLENBURG HOSPITAL AUTHORITY COMBINED GROUP
COMBINING BALANCE SHEET
December 31, 2024
(in thousands)

	Primary Enterprise	Atrium Health Foundation	Eliminations	Subtotal	Exclude AH Georgia, Inc.	Exclude Non-Obligated Group Affiliates	Exclude Consolidating Eliminations	Total Combined Group
Liabilities								
Current liabilities								
Long-term debt, current portion	$ 659,721	$ —	$ —	$ 659,721	$ 12,758	$ 1,984		$ 644,979
Lease liabilities, current portion	89,233	—	—	89,233	13,801	—		75,432
Accrued salaries and employee benefits	770,604	—	—	770,604	113,144	5,683		651,777
Accounts payable and other accrued liabilities	1,015,999	3,616	(9,341)	1,010,274	233,234	3,650	(52,836)	826,226
Third-party payors payables	274,960	—	—	274,960	32,690	—		242,270
Total current liabilities	2,810,517	3,616	(9,341)	2,804,792	405,627	11,317	(52,836)	2,440,684
Noncurrent liabilities								
Long-term debt, less current portion	2,518,784	—	—	2,518,784	416,931	18,046		2,083,807
Lease liabilities, less current portion	558,020	—	—	558,020	98,674	—		459,346
Obligations under swap agreements	52,076	—	—	52,076	—	—		52,076
Other noncurrent liabilities	926,463	3,696	(2,376)	927,783	123,399	10,000		794,384
Total noncurrent liabilities	4,055,343	3,696	(2,376)	4,056,663	639,004	28,046	—	3,389,613
Total liabilities	6,865,860	7,312	(11,717)	6,861,455	1,044,631	39,363	(52,836)	5,830,297
Deferred inflows of resources	198,104	—	—	198,104	13,731	—	—	184,373
Net position								
Net investment in capital assets	2,364,784	7,048	—	2,371,832	251,394	9,856	—	2,110,582
Restricted, by donor	41,413	525,406	—	566,819	—	29,852	—	536,967
Unrestricted	8,027,876	9,730	—	8,037,606	1,540,905	25,823	(172,215)	6,643,093
Total net position	10,434,073	542,184	—	10,976,257	1,792,299	65,531	(172,215)	9,290,642
Total liabilities, deferred inflows of resources and net position	$ 17,498,037	$ 549,496	$ (11,717)	$ 18,035,816	$ 2,850,661	$ 104,894	$ (225,051)	$ 15,305,312

See accompanying independent auditors' report.

THE CHARLOTTE-MECKLENBURG HOSPITAL AUTHORITY COMBINED GROUP
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Year Ended December 31, 2024
(in thousands)

	Primary Enterprise	Atrium Health Foundation	Eliminations	Subtotal	Exclude AH Georgia, Inc.	Exclude Non-Obligated Group Affiliates	Exclude Consolidating Eliminations	Total Combined Group
Revenue								
Patient service revenue, net	$ 10,925,097	$ —	$ —	$ 10,925,097	$ 1,954,747	$ 70,356	$ —	$ 8,899,994
Other revenue	1,461,805	42,524	(41,576)	1,462,753	117,017	31,259	—	1,314,477
Total revenue	12,386,902	42,524	(41,576)	12,387,850	2,071,764	101,615	—	10,214,471
Expenses								
Salaries, wages and benefits	6,624,716	1,052	—	6,625,768	1,209,351	80,024	—	5,336,393
Supplies and drugs	2,715,600	—	—	2,715,600	400,098	9,625	—	2,305,877
Purchased services and other expenses	1,843,239	37,714	(35,357)	1,845,596	391,729	28,205	—	1,425,662
Depreciation and amortization	615,549	111	—	615,660	98,933	6,200	—	510,527
Total expenses	11,799,104	38,877	(35,357)	11,802,624	2,100,111	124,054	—	9,578,459
Operating income (loss)	587,798	3,647	(6,219)	585,226	(28,347)	(22,439)	—	636,012
Nonoperating income								
Interest expense	(160,004)	—	—	(160,004)	(29,220)	(1,467)	—	(129,317)
Investment income	697,756	39,789	—	737,545	94,382	2,375	—	640,788
Other nonoperating (loss) income, net	186,855	(7,076)	6,219	185,998	(805)	16	—	186,787
Total nonoperating income, net	724,607	32,713	6,219	763,539	64,357	924	—	698,258
Excess (deficiency) of revenue over expenses and losses before capital and other contributions	1,312,405	36,360	—	1,348,765	36,010	(21,515)	—	1,334,270
Changes in net position								
Capital and other contributions	8,960	16,413	—	25,373	166,142	(14,151)	(147,901)	21,283
Changes in net position	1,321,365	52,773	—	1,374,138	202,152	(35,666)	(147,901)	1,355,553
Net position, beginning of year	9,112,708	489,411	—	9,602,119	1,590,147	101,197	(24,314)	7,935,089
Net position, end of year	$ 10,434,073	$ 542,184	$ —	$ 10,976,257	$ 1,792,299	$ 65,531	$ (172,215)	$ 9,290,642

See accompanying independent auditors' report.

THE CHARLOTTE-MECKLENBURG HOSPITAL AUTHORITY COMBINED GROUP
COMBINING SCHEDULE OF CASH FLOWS
Year Ended December 31, 2024
(in thousands)

	Primary Enterprise	Atrium Health Foundation	Eliminations	Subtotal	Exclude AH Georgia, Inc.	Exclude Non-Obligated Group Affiliates	Exclude Consolidating Eliminations	Total Combined Group
Cash flows from operating activities								
Receipts from third-party payors and patients	$ 10,823,019	$ —	$ —	$ 10,823,019	$ 1,965,010	$ 70,975	$ —	$ 8,787,034
Payments to suppliers	(4,485,393)	(1,236)	—	(4,486,629)	(723,939)	4,986	—	(3,767,676)
Payments to employees	(6,540,529)	(295)	—	(6,540,824)	(1,186,168)	(78,963)	—	(5,275,693)
Other receipts (payments) - net	1,475,902	11,926	(6,219)	1,481,609	151,108	29,884	—	1,300,617
Net cash provided by (used in) operating activities	1,272,999	10,395	(6,219)	1,277,175	206,011	26,882	—	1,044,282
Noncapital financing activities								
Proceeds from the issuance of commercial paper	350,000	—	—	350,000	—	—	—	350,000
Retirements of commercial paper	(500,000)	—	—	(500,000)	—	—	—	(500,000)
Academic support funds disbursed to affiliate	(10,000)	—	—	(10,000)	—	—	—	(10,000)
Other activities	185,013	(7,076)	6,219	184,156	—	—	—	184,156
Net cash provided by (used in) noncapital financial activities	25,013	(7,076)	6,219	24,156	—	—	—	24,156
Cash flows from investing activities								
Investment earnings	44,175	84	—	44,259	5,148	732	—	38,379
Withdrawals from investments and assets limited as to use	7,047,516	381,643	—	7,429,159	892,194	634	—	6,536,331
Contributions to assets limited as to use and purchases of units in investment pool	(7,168,052)	(392,643)	—	(7,560,695)	(889,782)	(1,575)	—	(6,669,338)
Acquisition of business, net of cash required	(117,037)	—	—	(117,037)	4,865	—	—	(121,902)
Purchase of equity method investments	(4,800)	—	—	(4,800)	—	—	—	(4,800)
Net cash (used in) provided by investing activities	(198,198)	(10,916)	—	(209,114)	12,425	(209)	—	(221,330)
Cash flows from capital and related financing activities								
Capital expenditures	(1,091,334)	(3,417)	—	(1,094,751)	(97,221)	(8,415)	—	(989,115)
Interest payments on short- and long-term debt	(159,490)	—	—	(159,490)	(27,386)	(760)	—	(131,344)
Principal payments, refunding and retirements on short- and long-term debt	(62,221)	—	—	(62,221)	(16,139)	(1,262)	—	(44,820)
Contributions restricted for building and equipment purchases	3,515	5,621	—	9,136	18,530	(12,502)	—	3,108
Other contributions (distributions)	17,663	9,015	—	26,678	11,581	(1,649)	—	16,746
Net cash (used in) provided by financing activities	(1,291,867)	11,219	—	(1,280,648)	(110,635)	(24,588)	—	(1,145,425)
Net (decrease) increase in cash and cash equivalents	(192,053)	3,622	—	(188,431)	107,801	2,085	—	(298,317)
Cash and cash equivalents:								
Beginning of year	985,019	5,995	—	991,014	284,747	13,101	—	693,166
End of year	$ 792,966	$ 9,617	$ —	$ 802,583	$ 392,548	$ 15,186	$ —	$ 394,849

THE CHARLOTTE-MECKLENBURG HOSPITAL AUTHORITY COMBINED GROUP
COMBINING SCHEDULE OF CASH FLOWS
Year Ended December 31, 2024
(in thousands)

	Primary Enterprise	Atrium Health Foundation	Eliminations	Subtotal	Exclude AH Georgia, Inc.	Exclude Non-Obligated Group Affiliates	Exclude Consolidating Eliminations	Total Combined Group
Reconciliation of cash and cash equivalents to the balance sheet								
Cash and cash equivalents	792,206	9,617	—	801,823	392,548	15,186	—	394,089
Restricted cash in investments and assets whose use is limited	760	—	—	760	—	—	—	760
Total cash, cash equivalents and restricted cash	$ 792,966	$ 9,617	$ —	$ 802,583	$ 392,548	$ 15,186	$ —	$ 394,849
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities								
Operating income (loss)	$ 587,798	$ 3,647	$ (6,219)	$ 585,226	$ (28,347)	$ (22,439)	$ —	$ 636,012
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities								
Depreciation and amortization	615,549	111	—	615,660	98,933	6,200	—	510,527
(Increase) decrease in patient accounts receivable, net	(81,403)	—	—	(81,403)	(15,455)	619	—	(66,567)
Decrease (increase) in inventories and other current assets	156,262	6,589	(17,552)	145,299	44,230	30,716	—	70,353
Decrease (increase) in other assets affecting operating activities	30,342	(212)	—	30,130	40,124	(1,375)	—	(8,619)
Increase in accounts payable and other current liabilities	152,985	345	17,552	170,882	63,496	3,161	—	104,225
(Decrease) increase in other liabilities affecting operating activities	(167,859)	(85)	—	(167,944)	(22,688)	10,000	—	(155,256)
(Decrease) increase in estimated third-party payor settlements	(20,675)	—	—	(20,675)	25,718	—	—	(46,393)
Net cash provided by (used in) operating activities	$ 1,272,999	$ 10,395	$ (6,219)	$ 1,277,175	$ 206,011	$ 26,882	$ —	$ 1,044,282

See accompanying independent auditors' report.

ATRIUM HEALTH NAVICENT
COMBINING BALANCE SHEET
December 31, 2024
(in thousands)

	Carlyle Place	All Other Navicent	Atrium Health Navicent
Assets			
Current assets			
Cash and cash equivalents	$ 1,595	$ 129,641	$ 131,236
Short term investments	—	—	—
Assets limited as to use	—	—	—
Patient accounts receivable, net	208	176,383	176,591
Other current assets	—	49,026	49,026
Total current assets	1,803	355,050	356,853
Other assets			
Assets limited as to use	96,020	762,498	858,518
Property and equipment, net	40,871	405,587	446,458
Right-to-use assets	—	8,987	8,987
Other noncurrent assets	—	89,479	89,479
Total other assets	136,891	1,266,551	1,403,442
Total assets	138,694	1,621,601	1,760,295
Deferred outflows of resources	—	18,206	18,206
Total assets and deferred outflows of resources	$ 138,694	$ 1,639,807	$ 1,778,501
Liabilities			
Current liabilities			
Long-term debt, current portion	$ 1,096	$ 5,054	$ 6,150
Lease liabilities, current portion	—	1,547	1,547
Accrued salaries and employee benefits	435	63,071	63,506
Accounts payable and other accrued liabilities	49,822	109,784	159,606
Third-party payors payables	—	20,261	20,261
Total current liabilities	51,353	199,717	251,070
Noncurrent liabilities			
Long-term debt, less current portion	28,976	233,649	262,625
Lease liabilities, less current portion	—	8,049	8,049
Obligations under swap agreements	—	—	—
Other noncurrent liabilities	—	92,992	92,992
Total noncurrent liabilities	28,976	334,690	363,666
Total liabilities	80,329	534,407	614,736
Deferred inflows of resources	—	13,447	13,447
Net position:			
Net investment in capital assets	5,580	165,506	171,086
Restricted - by donor	—	—	—
Unrestricted	52,785	926,447	979,232
Total net position	58,365	1,091,953	1,150,318
Total liabilities, deferred inflows of resources and net position	$ 138,694	$ 1,639,807	$ 1,778,501

See accompanying independent auditors' report.

ATRIUM HEALTH NAVICENT
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Year Ended December 31, 2024
(in thousands)

	Carlyle Place	All Other Navicent	Atrium Health Navicent
Revenue			
Patient service revenue, net	$ 2,593	$ 1,089,686	$ 1,092,279
Other revenue	18,563	63,491	82,054
Total revenue	21,156	1,153,177	1,174,333
Expenses			
Salaries, wages and benefits	11,364	683,850	695,214
Supplies and drugs	2,148	230,830	232,978
Purchased services and other expenses	4,920	225,242	230,162
Depreciation and amortization	3,354	48,609	51,963
Total expenses	21,786	1,188,531	1,210,317
Operating loss	(630)	(35,354)	(35,984)
Nonoperating income			
Interest expense	(1,868)	(14,408)	(16,276)
Investment income	8,079	67,490	75,569
Other nonoperating income, net	—	(475)	(475)
Total nonoperating income, net	6,211	52,607	58,818
Excess of revenue over expenses and losses before capital and other contributions	5,581	17,253	22,834
Changes in net position			
Capital and other contributions	—	2,000	2,000
Change in net position	5,581	19,253	24,834
Net position, beginning of year	52,784	1,072,700	1,125,484
Net position, end of year	$ 58,365	$ 1,091,953	$ 1,150,318

See accompanying independent auditors' report.

ATRIUM HEALTH NAVICENT
COMBINING SCHEDULE OF CASH FLOWS
Year Ended December 31, 2024
(in thousands)

	Carlyle Place	All Other Navicent	Atrium Health Navicent
Cash flows from operating activities			
Receipts from third-party payors and patients	$ 2,547	$ 1,099,380	$ 1,101,927
Payments to suppliers	(3,763)	(424,715)	(428,478)
Payments to employees	(11,379)	(659,243)	(670,622)
Other receipts - net	18,562	94,883	113,445
Net cash provided by operating activities	5,967	110,305	116,272
Noncapital financing activities			
Proceeds from the issuance of commercial paper	—	—	—
Retirements of commercial paper	—	—	—
Stimulus grants	—	—	—
Academic enrichment funds disbursed	—	—	—
Other activities	—	—	—
Net cash provided by noncapital financial activities	—	—	—
Cash flows from investing activities			
Investment earnings	3,878	(1,568)	2,310
Withdrawals from assets limited as to use	—	728,768	728,768
Contributions to assets limited as to use and purchases of units in investment pool	—	(726,335)	(726,335)
Purchase of equity method investments	—	—	—
Net cash provided by investing activities	3,878	865	4,743
Cash flows from capital and related financing activities			
Capital expenditures	(5,461)	(37,738)	(43,199)
Interest payments on short- and long-term debt	(1,868)	(13,930)	(15,798)
Principal payments, refunding and retirements on short- and long-term debt	(1,044)	(4,816)	(5,860)
Proceeds from issuance of long-term debt	—	—	—
Contributions restricted for building and equipment purchases	—	—	—
Other contributions	—	2,000	2,000
Net cash used in financing activities	(8,373)	(54,484)	(62,857)
Net increase in cash and cash equivalents	1,472	56,686	58,158
Cash and cash equivalents:			
Beginning of year	123	72,955	73,078
End of year	$ 1,595	$ 129,641	$ 131,236
Reconciliation of cash and cash equivalents to the balance sheet			
Cash and cash equivalents	1,595	129,641	131,236
Restricted cash in assets limited as to use	—	—	—
Total cash, cash equivalents and restricted cash	$ 1,595	$ 129,641	$ 131,236
Reconciliation of operating loss to net cash provided by operating activities			
Operating loss	$ (630)	$ (35,354)	$ (35,984)
Adjustments to reconcile operating loss to net cash provided by operating activities			
Depreciation and amortization	3,354	48,609	51,963
Increase in patient accounts receivable, net	(46)	(6,051)	(6,097)
Decrease in inventories and other current assets	2,114	38,641	40,755
Decrease in other assets affecting operating activities	—	32,156	32,156
Increase in accounts payable and other current liabilities	1,301	34,551	35,852
Decrease in other liabilities affecting operating activities	(125)	(17,993)	(18,118)
Increase in estimated third-party payor settlements	—	15,745	15,745
Net cash provided by operating activities	$ 5,968	$ 110,304	$ 116,272

See accompanying independent auditors' report.

ATRIUM HEALTH FLOYD
COMBINING BALANCE SHEET
December 31, 2024
(in thousands)

	Polk Medical Center, Inc.	Floyd Cherokee Medical Center, LLC	All Other Floyd	Atrium Health Floyd
Assets				
Current assets				
Cash and cash equivalents	$ 103	$ 7,740	$ 253,469	$ 261,312
Short term investments	—	—	11,840	11,840
Assets limited as to use	—	—	—	—
Patient accounts receivable, net	8,822	2,367	102,844	114,033
Other current assets	63,347	3,571	—	66,918
Total current assets	72,272	13,678	368,153	454,103
Other assets				
Assets limited as to use	29,405	—	143,178	172,583
Property and equipment, net	32,884	4,015	213,029	249,928
Right-to-use assets	—	—	94,145	94,145
Other noncurrent assets	—	118	14,342	14,460
Total other assets	62,289	4,133	464,694	531,116
Total assets	134,561	17,811	832,847	985,219
Deferred outflows of resources	—	—	106,602	106,602
Total assets and deferred outflows of resources	$ 134,561	$ 17,811	$ 939,449	$ 1,091,821
Liabilities				
Current liabilities				
Long-term debt, current portion	$ 3	$ 229	$ 6,376	$ 6,608
Lease liabilities, current portion	—	—	12,254	12,254
Accrued salaries and employee benefits	670	294	48,674	49,638
Accounts payable and other accrued liabilities	768	352	92,076	93,196
Third-party payors payables	2,747	9,405	277	12,429
Total current liabilities	4,188	10,280	159,657	174,125
Noncurrent liabilities				
Long-term debt, less current portion	2,267	243	151,796	154,306
Lease liabilities, less current portion	—	—	90,625	90,625
Obligations under swap agreements	—	—	—	—
Other noncurrent liabilities	—	71	30,552	30,623
Total noncurrent liabilities	2,267	314	272,973	275,554
Total liabilities	6,455	10,594	432,630	449,679
Deferred inflows of resources	—	—	284	284
Net position				
Net investment in capital assets	30,614	3,543	46,447	80,604
Restricted - by donor	—	—	—	—
Unrestricted	97,492	3,674	460,088	561,254
Total net position	128,106	7,217	506,535	641,858
Total liabilities, deferred inflows of resources and net position	$ 134,561	$ 17,811	$ 939,449	$ 1,091,821

See accompanying independent auditors' report.

ATRIUM HEALTH FLOYD
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Year Ended December 31, 2024
(in thousands)

	Polk Medical Center, Inc.	Floyd Cherokee Medical Center, LLC	All Other Floyd	Atrium Health Floyd
Revenue				
Patient service revenue, net	$ 42,477	$ 17,085	$ 802,906	$ 862,468
Other revenue	645	377	33,941	34,963
Total revenue	43,122	17,462	836,847	897,431
Expenses				
Salaries, wages and benefits	18,836	10,704	484,597	514,137
Supplies and drugs	3,077	1,780	162,263	167,120
Purchased services and other expenses	4,568	2,576	154,423	161,567
Depreciation and amortization	2,109	627	44,234	46,970
Total expenses	28,590	15,687	845,517	889,794
Operating income (loss)	14,532	1,775	(8,670)	7,637
Nonoperating income				
Interest expense	—	—	(12,944)	(12,944)
Investment income (loss)	2,538	(1)	16,276	18,813
Other nonoperating income (loss), net	1,236	14	(1,580)	(330)
Total nonoperating income, net	3,774	13	1,752	5,539
Excess (deficiency) of revenues over expenses and losses before	18,306	1,788	(6,918)	13,176
Changes in net position				
Capital and other contributions	—	—	164,114	164,114
Change in net position	18,306	1,788	157,196	177,290
Net position, beginning of year	109,799	5,430	349,434	464,663
Net position, end of year	$ 128,105	$ 7,218	$ 506,630	$ 641,953

See accompanying independent auditors' report.

ATRIUM HEALTH FLOYD
COMBINING SCHEDULE OF CASH FLOWS
Year Ended December 31, 2024
(in thousands)

	Polk Medical Center, Inc.	Floyd Cherokee Medical Center, LLC	All Other Floyd	Atrium Health Floyd
Cash flows from operating activities				
Receipts from third-party payors and patients	$ 44,000	$ 16,578	$ 802,505	$ 863,083
Payments to suppliers	(67,153)	(4,489)	(223,819)	(295,461)
Payments to employees	(18,876)	(10,757)	(485,913)	(515,546)
Other receipts - net	645	259	36,759	37,663
Net cash provided by operating activities	(41,384)	1,591	129,532	89,739
Noncapital financing activities				
Proceeds from the issuance of commercial paper	—	—	—	—
Retirements of commercial paper	—	—	—	—
Stimulus grants	—	—	—	—
Other activities	—	—	—	—
Net cash provided by noncapital financial activities	—	—	—	—
Cash flows from investing activities				
Investment earnings	(91)	13	2,916	2,838
Withdrawals from assets limited as to use	—	—	163,426	163,426
investment pool	—	—	(163,447)	(163,447)
Acquisition of business, net of cash required	—	—	4,865	4,865
Purchase of equity method investments	—	—	—	—
Net cash (used in) provided by investing activities	(91)	13	7,760	7,682
Cash flows from capital and related financing activities				
Capital expenditures	(1,673)	(1,855)	(50,494)	(54,022)
Interest payments on short- and long-term debt	(128)	251	(11,711)	(11,588)
Principal payments, refunding and retirements on short- and long-term debt	—	—	(10,279)	(10,279)
Proceeds from issuance of long-term debt	—	—	—	—
Contributions restricted for building and equipment purchases	—	—	18,530	18,530
Other contributions	—	—	9,581	9,581
Net cash used in financing activities	(1,801)	(1,604)	(44,373)	(47,778)
Net (decrease) increase in cash and cash equivalents	(43,276)	—	92,919	49,643
Cash and cash equivalents:				
Beginning of year	43,377	7,740	160,552	211,669
End of year	$ 101	$ 7,740	$ 253,471	$ 261,312
Reconciliation of cash and cash equivalents to the balance sheet				
Cash and cash equivalents	$ 103	$ 7,740	$ 253,469	$ 261,312
Restricted cash in assets limited as to use	—	—	—	—
Total cash, cash equivalents and restricted cash	$ 103	$ 7,740	$ 253,469	$ 261,312
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	$ 14,532	$ 1,775	$ (8,670)	$ 7,637
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation and amortization	2,109	627	44,234	46,970
Decrease (increase) in patient accounts receivable, net	756	(1,046)	(9,068)	(9,358)
(Increase) decrease in inventories and other current assets	(60,580)	(485)	64,540	3,475
(Increase) decrease in other assets affecting operating activities	—	(118)	8,086	7,968
(Decrease) increase in accounts payable and other current liabilities	(88)	127	27,605	27,644
Increase (decrease) in other liabilities affecting operating activities	1,121	172	(5,863)	(4,570)
Increase in estimated third-party payor settlements	766	539	8,668	9,973
Net cash (used in) provided by operating activities	$ (41,384)	$ 1,591	$ 129,532	$ 89,739

See accompanying independent auditors' report.