




# **West Virginia University Health System and Controlled Entities**

**Independent Auditor's Report, Consolidated Financial  
Statements, and Consolidating Supplementary  
Information**

December 31, 2024 and 2023



**West Virginia University Health System and Controlled Entities**  
**Contents**  
**December 31, 2024 and 2023**

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## Independent Auditor's Report

Board of Directors  
West Virginia University Health System and Controlled Entities  
Morgantown, West Virginia

### ***Opinion***

We have audited the consolidated financial statements of West Virginia University Health System and Controlled Entities (System), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, based on our audits and the report of the other auditors, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the System as of December 31, 2024 and 2023, and the results of its operations, changes in net assets, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Augusta Insurance Company, Ltd., a wholly-owned subsidiary, which statements reflect total assets constituting 2.0% of consolidated total assets at December 31, 2024 and 2023. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Augusta Insurance Company, Ltd., is based solely on the reports of the other auditors.

### ***Basis for Opinion***

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

### ***Responsibilities of Management for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

### ***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements***

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 System'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for a reasonable period of time.

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements that collectively comprise the System's basic consolidated financial statements. The supplementary consolidating information listed in the table of contents is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual companies and is not a required part of the basic consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic consolidated 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 consolidated financial statements or to the basic consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, which insofar as it relates to Augusta Insurance Company, Ltd. is based on the report of other auditors, the consolidating supplementary information is fairly stated in all material respects in relation to the basic consolidated financial statements as a whole.

**Forvis Mazars, LLP**

**Charleston, West Virginia  
April 17, 2025**

**West Virginia University Health System and Controlled Entities**  
**Consolidated Balance Sheets**  
**December 31, 2024 and 2023**  
(in thousands)

	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 835,733	\$ 595,830
Current portion of assets whose use is limited	32,670	27,768
Accounts receivable:		
Patients	755,447	755,792
Other	125,813	102,096
Inventories of supplies	108,173	103,898
Estimated third-party payor settlements	77,527	117,049
Prepaid expenses and other current assets	87,538	67,030
	<hr/>	<hr/>
Total current assets	2,022,901	1,769,463
	<hr/>	<hr/>
<b>Assets Whose Use is Limited</b>		
Board-designated funds:		
Funded depreciation	1,522,700	1,348,965
Strategic initiatives	36,326	30,613
Under trust indenture, held by trustee	164,108	281,797
Malpractice investments	94,663	87,863
Foundation investments	13,117	11,802
	<hr/>	<hr/>
Noncurrent portion of assets whose use is limited	1,830,914	1,761,040
	<hr/>	<hr/>
<b>Property and Equipment, Net</b>	2,351,510	2,135,905
	<hr/>	<hr/>
<b>Restricted Assets Held By Third-Parties</b>	20,233	18,715
	<hr/>	<hr/>
<b>Right-of-Use Operating Lease Assets</b>	48,937	43,743
	<hr/>	<hr/>
<b>Other Investments</b>	18,297	16,887
	<hr/>	<hr/>
<b>Prepaid Expenses and Other Assets, Net</b>	187,483	162,053
	<hr/>	<hr/>
Total assets	\$ 6,480,275	\$ 5,907,806
	<hr/>	<hr/>

**West Virginia University Health System and Controlled Entities**  
**Consolidated Balance Sheets**  
**December 31, 2024 and 2023**  
(in thousands)

	<b>2024</b>	<b>2023</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Line of credit	\$ 66,275	\$ 54,354
Current maturities of long-term debt	207,899	58,974
Accounts payable, accrued expenses and other	472,514	425,432
Estimated third-party payor settlements	40,954	33,634
Salaries and benefits payable	243,311	198,478
Accrued interest payable	5,687	5,956
Current portion of malpractice costs	24,672	25,520
Total current liabilities	<u>1,061,312</u>	<u>802,348</u>
<b>Long-Term Debt, Net</b>	1,960,970	1,989,264
<b>Malpractice Costs</b>	74,474	74,940
<b>Right-of-Use Operating Lease Obligations</b>	36,445	29,061
<b>Derivative Financial Instruments</b>	8,633	13,734
<b>Pension Liability</b>	55,279	77,046
<b>Other Liabilities</b>	<u>36,929</u>	<u>19,631</u>
Total liabilities	<u>3,234,042</u>	<u>3,006,024</u>
<b>Net Assets</b>		
Net assets without donor restrictions		
Controlling interest	3,156,899	2,812,339
Noncontrolling interest	<u>1,800</u>	<u>2,266</u>
Net assets without donor restrictions	3,158,699	2,814,605
Net assets with donor restrictions		
Controlling interest	65,838	63,135
Noncontrolling interest	<u>21,696</u>	<u>24,042</u>
Net assets with donor restrictions	<u>87,534</u>	<u>87,177</u>
Total net assets	<u>3,246,233</u>	<u>2,901,782</u>
Total liabilities and net assets	<u><u>\$ 6,480,275</u></u>	<u><u>\$ 5,907,806</u></u>

**West Virginia University Health System and Controlled Entities**  
**Consolidated Statements of Operations**  
**Years Ended December 31, 2024 and 2023**  
(in thousands)

	<b>2024</b>	<b>2023</b>
<b>Operating Revenues</b>		
Net patient service revenue	\$ 5,847,379	\$ 5,220,751
CARES Act funding	-	7,114
Retail pharmacy revenues	672,629	546,608
Other revenues	244,154	234,950
Total operating revenues	<u>6,764,162</u>	<u>6,009,423</u>
<b>Operating Expenses</b>		
Salaries and wages	2,328,876	2,056,325
Employee benefits	711,874	609,429
Supplies	1,536,470	1,342,972
Physician support	535,855	454,234
Professional fees and purchased services	352,383	415,951
Maintenance and repairs	163,782	146,244
Licenses and taxes	184,759	155,693
Depreciation and amortization	253,442	233,126
Interest	81,277	75,412
Other	435,639	402,977
Total operating expenses	<u>6,584,357</u>	<u>5,892,363</u>
Operating income	<u>179,805</u>	<u>117,060</u>
<b>Nonoperating Income</b>		
Investment income, net	152,532	108,265
Inherent contributions	-	131,472
Change in fair value of derivative financial instruments, net	5,017	1,614
Loss on refinancing	(743)	(5,162)
Other, net	4,930	(3,200)
Total nonoperating income	<u>161,736</u>	<u>232,989</u>
Revenues in excess of expenses	341,541	350,049
Change in noncontrolling interest	<u>2,716</u>	<u>3,089</u>
Revenues in excess of expenses attributable to controlling interest	344,257	353,138
<b>Pension Liability Adjustment</b>	11,295	(2,678)
<b>Transfers to the School of Medicine</b>	(24,017)	(22,317)
<b>Contributions of and Grants for Long-Lived Assets</b>	14,643	3,082
<b>Net Assets Released from Restrictions for Long-Lived Assets</b>	4,692	4,691
<b>Other</b>	<u>(6,310)</u>	<u>(4,425)</u>
<b>Change in Net Assets Without Donor Restrictions, Controlling Interest</b>	<u>\$ 344,560</u>	<u>\$ 331,491</u>

**West Virginia University Health System and Controlled Entities**  
**Consolidated Statements of Changes in Net Assets**  
**Years Ended December 31, 2024 and 2023**  
(in thousands)

	<b>2024</b>	<b>2023</b>
<b>Changes in Net Assets Without Donor Restrictions, Controlling Interest</b>		
Revenues in excess of expenses	\$ 344,257	\$ 353,138
Pension liability adjustment	11,295	(2,678)
Transfers to the School of Medicine	(24,017)	(22,317)
Contributions and grants for/of long-lived assets	14,643	3,082
Net assets released from restrictions for long-lived assets	4,692	4,691
Other	(6,310)	(4,425)
Change in net assets without donor restrictions, controlling interest	<u>344,560</u>	<u>331,491</u>
<b>Changes in Net Assets Without Donor Restrictions, Noncontrolling Interest</b>		
Revenues less than expenses	(2,716)	(3,089)
Noncontrolling interest net asset contributions	<u>2,250</u>	<u>2,250</u>
Change in net assets without donor restrictions, noncontrolling interest	<u>(466)</u>	<u>(839)</u>
<b>Changes in Net Assets With Donor Restrictions</b>		
Change in restricted assets held by West Virginia University Foundation	1,701	4,495
Contributions and grants	3,261	6,292
Inherent contributions with donor restrictions	-	3,693
Change in restricted assets held by affiliated foundation	283	478
Net assets released from restrictions, noncontrolling interest	(2,346)	(2,346)
Net assets released from restrictions for long-lived assets and operations	<u>(2,542)</u>	<u>(2,459)</u>
Change in net assets with donor restrictions	<u>357</u>	<u>10,153</u>
Change in net assets	344,451	340,805
<b>Net Assets, Beginning of Year</b>	<u>2,901,782</u>	<u>2,560,977</u>
<b>Net Assets, End of Year</b>	<u><u>\$ 3,246,233</u></u>	<u><u>\$ 2,901,782</u></u>



**West Virginia University Health System and Controlled Entities**  
**Consolidated Statements of Cash Flows**  
**Years Ended December 31, 2024 and 2023**  
(in thousands)

	<b>2024</b>	<b>2023</b>
<b>Operating Activities</b>		
Change in net assets	\$ 344,451	\$ 340,805
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	253,442	233,126
Amortization of debt issuance costs, premiums and discounts included in interest expense	(1,271)	(1,417)
Net realized and unrealized gains on investments	(104,575)	(79,221)
Change in fair value of derivative financial instruments	(5,017)	(1,614)
Non-controlling interest net asset contributions	(2,250)	(2,250)
Pension liability adjustment	(11,295)	2,678
Inherent contributions	-	(135,165)
Change in value of restricted assets held by third parties	(283)	(478)
Restricted contributions of property and grants	(3,261)	(6,292)
Changes in assets and liabilities		
Patient accounts receivable	345	(62,538)
Other receivables	(23,717)	(16,218)
Estimated third-party payor settlements	46,842	(79,209)
Inventories of supplies, prepaid expenses and other assets	(50,213)	(30,504)
Accounts payable, accrued expenses and other	46,998	29,179
Salaries and benefits payable	44,833	15,586
Malpractice costs	(1,314)	9,168
Other	8,747	1,267
Net cash provided by operating activities	<u>542,462</u>	<u>216,903</u>
<b>Investing Activities</b>		
Purchases of property and equipment	(430,106)	(237,224)
Net increase of assets limited as to use	(31,201)	(526)
Net cash acquired through acquisitions	-	2,227
Net cash used in investing activities	<u>(461,307)</u>	<u>(235,523)</u>
<b>Financing Activities</b>		
Proceeds from the issuance of long-term debt, net	188,867	346,909
Repayment of long-term obligations	(102,645)	(117,590)
Non-controlling interest net asset contributions	2,250	2,250
Net proceeds from line of credit	11,921	27,219
Net cash provided by financing activities	<u>100,393</u>	<u>258,788</u>
Increase in cash, cash equivalents and restricted cash	181,548	240,168
<b>Cash, Cash Equivalents and Restricted Cash, Beginning</b>	<u>924,025</u>	<u>683,857</u>
<b>Cash, Cash Equivalents and Restricted Cash, Ending</b>	<u><u>\$ 1,105,573</u></u>	<u><u>\$ 924,025</u></u>
<b>Supplemental Disclosure of Cash Flow Information</b>		
Interest paid, net of amounts capitalized	<u>\$ 83,546</u>	<u>\$ 76,147</u>
Financing leases for purchase of property and equipment	<u>\$ 35,680</u>	<u>\$ 49,381</u>

## **Note 1. Organizational Structure and Nature of Operations**

West Virginia United Health System, Inc. d/b/a West Virginia University Health System (WVUHS or the System) is a not-for-profit corporation formed to serve as part of an integrated health science and healthcare delivery system. WVUHS serves as the parent corporation to an affiliated group of healthcare providing entities that includes West Virginia University Hospitals, Inc. and controlled entities, United Hospital Center, Inc. and controlled entities, Camden-Clark Health Services, Inc. and controlled entities, Allied Health Services, Inc., West Virginia United Insurance Services, Inc, Peak Health, LLC (Peak) and West Virginia University Innovation Corporation.

West Virginia University (WVU or the University) commenced operations of a tertiary care teaching hospital in 1960 as a component of the Medical Center of the University. In 1984, the West Virginia legislature adopted legislation which authorized separation of the hospital operations from the University and establishment of a separate corporate entity. At that time, West Virginia University Hospitals, Inc. (WVUH) was incorporated as a not-for-profit corporation to operate one or more hospitals in order to provide patient care, including specialized services not widely available in West Virginia, and to facilitate clinical education and research. WVUH currently operates J.W. Ruby Memorial Hospital, which is located in Morgantown, West Virginia. J.W. Ruby Memorial Hospital serves as a major statewide and regional healthcare referral center and provides the principal clinical, education, and research functions for the University.

On January 1, 2005, WVUH became the sole member of West Virginia University Hospitals - East, Inc. d/b/a University Healthcare (University Healthcare), a not-for-profit corporation formed to serve as part of an integrated health science and healthcare delivery system. University Healthcare serves as the parent corporation to an affiliated group of healthcare providing entities which includes City Hospital, Inc. d/b/a Berkeley Medical Center (BMC), The Charles Town General Hospital d/b/a Jefferson Medical Center (JMC) and University Healthcare Foundation, Inc. (UHCF). BMC is a not-for-profit acute care hospital located in Martinsburg, West Virginia. BMC provides inpatient, outpatient, and emergency care services for residents of the eastern panhandle of West Virginia and the surrounding communities. JMC is a not-for-profit acute care critical access hospital located in Ranson, West Virginia. JMC provides inpatient, outpatient, and emergency care services to the residents of the eastern panhandle of West Virginia and the surrounding communities. JMC was designated as a critical access hospital by the Centers for Medicare and Medicaid Services (CMS) effective December 15, 2005. UHCF is a not-for-profit corporation formed for the purpose of performing fundraising and other activities that benefit University Healthcare and its controlled entities. Effective March 1, 2022, WVUHS became the sole member of University Healthcare.

On February 28, 2014, WVUH became the sole member of Potomac Valley Hospital of W. Va., Inc. (PVH), a for-profit acute care critical access hospital located in Keyser, West Virginia. Immediately following the transaction, PVH was converted to a not-for-profit corporation. Effective April 1, 2022, WVUHS became the sole member of PVH.

On October 1, 2016, WVUH became the sole member of Reynolds Memorial Hospital, Inc. (RMH), a not-for-profit acute care hospital located in Glen Dale, West Virginia. Effective December 1, 2022, WVUHS became the sole member of RMH.

United Hospital Center, Inc. (UHC) is a not-for-profit acute care hospital located in Bridgeport, West Virginia. UHC provides inpatient, outpatient, psychiatric, and skilled nursing services for residents of its primary service area, which includes Harrison County, West Virginia and north central West Virginia. UHC is a major referral center in north central West Virginia. UHC is the sole member of United Health Foundation, Inc. (UHF) and United Physicians Care, Inc. (UPC). UHF is a not-for-profit corporation formed for the purpose of performing support activities, including fundraising, that primarily benefit UHC. UPC is a not-for-profit corporation that operates family practice clinics in north central West Virginia.

**West Virginia University Health System and Controlled Entities**  
**Notes to Consolidated Financial Statements**  
**December 31, 2024 and 2023**

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On October 1, 2015, UHC became the sole member of St. Joseph's Hospital of Buckhannon, Inc. (SJH), a not-for-profit acute care critical access hospital located in Buckhannon, West Virginia. This acquisition allows SJH and UHC to operate in an integrated fashion, promoting health in their respective communities through more efficient operations, quality enhancement and more cost-effective use of resources, as well as enhanced access to care. SJH is the sole member of St. Joseph's Foundation of Buckhannon, Inc. (SJHF). SJHF was designated as a critical access hospital by the CMS effective April 1, 2014. Effective September 1, 2022, WVUHS became the sole member of SJH.

On March 1, 2011, WVUHS became the sole member of Camden Clark Health Services, Inc. (CCHS), a not-for-profit corporation formed to serve as part of an integrated health science and healthcare delivery system. CCHS serves as the parent corporation to an affiliated group of healthcare providing entities which includes Camden Clark Medical Center (CCMC), Camden Clark Foundation (CCF) and Camden Clark Physician Corporation (CCPC). CCMC is a not-for-profit acute care hospital located in Parkersburg, West Virginia. CCMC provides inpatient, outpatient, and emergency services for the residents of Wood County and the surrounding communities. CCF is a not-for-profit corporation formed for the purpose of performing fundraising and other activities that benefit CCMC. CCPC is a not-for-profit corporation that operates physician practices in Wood County.

Allied Health Services, Inc. (AHS) is a for-profit corporation engaged in the business of providing laundry services.

Gateway Home Care, LLC d/b/a Allied Health Services Durable Medical Equipment (AHSDME) is a West Virginia limited liability company wholly owned by WVUHS Home Care, LLC (Home Care). AHSDME provides durable medical equipment in various West Virginia counties within WVUHS' service area.

On October 18, 2017, WVUH executed a management and operating agreement with Recovery Properties, LLC (Recovery), an unrelated third-party, to operate and manage a 40-unit detox and addiction recovery treatment program (Program) in a facility to be designed, financed and constructed by Recovery. WVUH had no ownership or control over Recovery, but the operation of the Program is jointly controlled and operated by both entities. Additionally, both parties shared in the risks and rewards of the Program. Based on the joint control and sharing of risks and rewards of the Program, this transaction was recorded as a collaborative arrangement. Construction of the facility was complete in early 2019 and operation of the Program began on March 4, 2019. On August 1, 2022, WVUH became the sole member of Recovery. WVUH guarantees the debt service commitment of the Program, which had a total debt balance outstanding of approximately \$11,003,000 and \$11,369,000 as of December 31, 2024 and 2023, respectively.

Augusta Insurance Company, Ltd. (Augusta) is a wholly owned captive insurance company incorporated as an exempted company under the Companies Law of the Cayman Islands. Augusta facilitates the structuring of a unified insurance program for the WVUHS, while remaining flexible to meet unique needs that may vary across the WVUHS (Note 12).

United Summit Center, Inc. (USCHM) is a not-for-profit corporation formed for the purpose of providing community mental health and related services to residents of Harrison, Braxton, Doddridge, Lewis, Gilmer, Preston and Marion counties in West Virginia. Effective July 5, 2018, WVUH became the sole member of USCHM.

Braxton County Memorial Hospital (BCMH) is a not-for-profit critical access hospital located in Gassaway, West Virginia. Effective April 1, 2022, WVUHS became the sole member of BCMH.

On July 1, 2019, West Virginia Health Care Cooperative Inc. (WVHCC), a not-for-profit corporation with its sole membership held by WVUH on such date, entered into a lease agreement with Summersville Regional Medical Center (SRMC), a critical access hospital, and City of Summersville Building Commission, to lease and operate SRMC for 50 years. SRMC is included in the accompanying consolidated financial statement based on the control gained through the lease agreement. Effective April 1, 2022, WVUHS became the sole member of SRMC.

Jackson General Hospital (JGH) is a not-for-profit critical access hospital located in Ripley, West Virginia. Effective October 1, 2022, WVUHS became the sole member of JGH.

**West Virginia University Health System and Controlled Entities**  
**Notes to Consolidated Financial Statements**  
**December 31, 2024 and 2023**

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Effective July 1, 2020, Wetzel County Hospital, Inc. (WCH) a not-for-profit corporation with its sole membership held by WVUH, entered into a lease agreement with the County Commission of Wetzel County, a public corporation and governing body of Wetzel County and Wetzel County Hospital Association, a non-profit county hospital, to lease and operate Wetzel County Hospital to WCH under a 50-year term for WCH to operate the hospital. Effective October 1, 2022, WVUHS became the sole member of WCH.

Effective January 1, 2021, WVUH became the sole member of Uniontown Hospital (UH), a not-for-profit acute care hospital that provides inpatient, outpatient, and emergency services for residents of southwestern Pennsylvania. Also effective January 1, 2021, WVUHS became the sole member of System Medical Group (SMG), a not-for-profit corporation that operates physician practices in southwestern Pennsylvania. Effective November 1, 2022, WVUHS became the sole member of UH.

Effective April 1, 2021, WVUHS entered into a member substitution agreement to become the sole member of Wheeling Hospital, Inc. (WH). WH is a not-for-profit tax-exempt corporation and owns and operates an acute care hospital located in Wheeling, West Virginia. WH subsidiaries, include Harrison Community Hospital (HCH), an ambulatory surgery center, 144-bed skilled and intermediate care center, and a group of primary care and multispecialty physicians. Effective July 1, 2022, a governance restructuring was approved in which WVUHS replaced WH as the sole member of HCH.

Effective April 1, 2021, WVUHS became the sole member of BHA, a not-for-profit corporation which owns and operates Barnesville Hospital (BH), a critical access hospital located in Belmont County, OH. BHA is also the sole shareholder of Belmont County Health Services (BCHS), a for-profit corporation, which operates a retail pharmacy in Belmont, OH. In addition, BHA provides management services to Belmont Professional Associates, which employs physicians and advanced practice providers that provide services for and on behalf of BH.

Peak Health, LLC (Peak) is a third-party administrator licensed with the West Virginia Offices of the Insurance Commissioner (WVOIC). Peak currently performs administrative services on behalf of self-insured employer-sponsored group health benefit plans, including for its own its non-profit members. Peak was initially formed on July 2, 2021, as a member-managed West Virginia limited liability company with WVUHS as its sole member.

Peak is now majority-owned by Peak Health Holdings, LLC (PHH), whose sole member is WVUHS, along with minority owners Marshall Health Network, Inc. (MHN), University Physicians & Surgeons d/b/a Marshall Health (Marshall Health), and Valley Health System (Valley).

Peak Health Insurance Corporation (PHIC) is a domestic accident and sickness insurer licensed with WVOIC formed with the intent to offer government and commercial health insurance products. In 2024 PHIC offered Medicare Advantage Products in select counties within West Virginia. As of January 1, 2025, PHIC became licensed with the Pennsylvania Insurance Department (PID) to transact accident and health business in select counties within Pennsylvania. PHH is the majority shareholder of PHIC. On January 31, 2024, PHH sold 4% of its common stock of PHIC to MHN for \$636,000 and 4% to Marshall for \$636,000. Following this transaction PHH remained the majority shareholder of PHIC owning 92% of the issued and outstanding common stock of PHIC.

Effective April 1, 2022, an asset purchase agreement was executed whereby West Virginia University Innovation Corporation (WVUIC) acquired a former pharmaceutical manufacturing facility (Facility) from Viatris, Inc., Mylan Inc., and Mylan Pharmaceuticals Inc. at an aggregate purchase price of \$1. Included in the asset purchase agreement, the Facility cannot be sold for the first 12 years from the date the Facility was acquired. The Facility includes underlying real estate, two buildings, and certain furniture, fixtures, and equipment within the Facility. The Facility was valued at approximately \$56,295,000 based on the estimated fair value of comparable facilities, and recorded in restricted contributions and grants and restricted contribution – noncontrolling interest on the consolidated statements of changes in net assets. Restrictions of the contribution are released over the term of the 12-year restriction and approximately \$4,692,000 and \$4,691,000 was released from restriction during the years ended December 31, 2024 and 2023, respectively. In valuing the contributed Facility, WVUIC estimated the fair value on the basis of comparable real estate in the market.

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The Facility is no longer being operated as a pharmaceutical manufacturing facility and WVUIC intends to subdivide, market, and lease the approximate 1,000,000 available square feet of space to potential future tenants. Effective April 1, 2022, WVUHS and WVU had equal voting control in WVUIC through appointment of 50% each of the Board of Directors of WVUIC. Effective July 1, 2024, WVUHS has 75% and WVU has 25% control of the Board of Directors of WVUIC. WVUHS entered into a management services and operations agreement (MSOA) with WVUIC, whereby WVUHS agreed to provide management and operational services to WVUIC and to serve as the fiscal agent of WVUIC with respect to WVUIC's operation and management of the Facility. During the first two years of WVUIC's operation of the Facility, costs and excess revenues will be allocated 75% to WVUHS and 25% to WVU. WVUHS has control over WVUIC through the MSOA and economic interest, thus, WVUIC's financial statements are included in the System's consolidated financial statements. Upon dissolution of WVUIC, the remaining net assets after settling of outstanding obligations shall be distributed for one or more exempt purposes.

Effective July 1, 2022, WVUHS became the sole member of GRMC, Inc. (GRMC), a Maryland non-profit corporation and an Operating and Lease Agreement with the Garrett County Commission went into effect whereby GRMC will operate Garrett County Memorial Hospital (GCMH). GCMH is a 55-bed county hospital and a Maryland governmental entity. The initial term of the lease is 15 years.

Effective January 1, 2023, WVUHS became the sole member of Thomas Health System (THS) which includes Thomas Memorial Hospital (TH) – a 241-bed acute care hospital in South Charleston, West Virginia, Thomas Health System Physician Partners, Inc. (THSPP) – a corporation formed to employ physicians working for THS, Charleston Hospital, Inc. d/b/a Saint Francis Hospital (SFH) – a 123-bed acute care hospital as well as a 29-bed skilled nursing unit in Charleston, West Virginia, and TMH Services, Inc. (TMHS) – a corporation that provides services including the sales and rental of communications equipment and other services. There was no consideration provided for the assets acquired and liabilities assumed. Effective May 1, 2024, THS and SFH were merged into TH and TH became the sole shareholder of THSPP and TMHS.

Effective January 1, 2023, WVUHS became the sole member of Princeton Community Hospital Association, Inc. (PCH) and Princeton Community Hospital Foundation (PCHF). PCH is a 267-bed acute-care facility which includes 64 psychiatric inpatient beds. PCHF's principal activities are fundraising for PCH and the management of Princeton Health & Fitness Center. There was no consideration provided for the assets acquired and liabilities assumed.

Effective May 12, 2023, Ohio Valley Health Corporation (OVHC), a CCHS subsidiary, executed an asset purchase agreement in which OVHC purchased the real and personal property of Ohio Valley Nursing Home, Inc. (Nursing Home). The Nursing Home is a 66-bed, 38,585 square foot skilled nursing facility on a 2.794 acre parcel in Wood County, West Virginia.

On July 1, 2023, WVUHS executed an agreement and plan of affiliation with Grant Memorial Hospital (GMH) in which WVUHS would become the sole member of GMH – a critical access hospital to Grant, Hardy, and Pendleton counties in West Virginia and the surrounding communities. There was no consideration provided for the assets acquired and liabilities assumed. GMH's results of operations are included in the consolidated schedule of operations and changes in net assets beginning July 1, 2023.

## **Note 2. Significant Accounting Policies**

### ***Principles of Consolidation***

The accompanying consolidated financial statements include the accounts of WVUHS and its controlled entities, (collectively, the System). All significant intercompany transactions and balances have been eliminated in consolidation.

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***Use of Estimates***

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

***Cash and Cash Equivalents***

Cash and cash equivalents include certain investments in highly-liquid debt instruments purchased with a maturity of three months or less, excluding assets whose use is limited. The carrying amount of cash and cash equivalents approximates fair value.

The System maintains cash and cash equivalent accounts that may, at times, exceed federally insured limits. The System has not experienced any losses from maintaining these accounts in excess of federally insured limits. Management believes it is not subject to significant risks associated with these accounts.

Following is a reconciliation of cash, cash equivalents and restricted cash as presented in the accompanying consolidated statements of cash flows as of December 31 (in thousands):

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 835,733	\$ 595,830
Assets whose use is limited	255,783	315,373
Restricted assets held by third-parties	<u>14,057</u>	<u>12,822</u>
Total cash, cash equivalents and restricted cash shown in the accompanying consolidated statements of cash flows	<u>\$ 1,105,573</u>	<u>\$ 924,025</u>

Amounts included in restricted cash held in assets whose use is limited represent those set aside by the Board of Directors (Board) for future capital improvements or strategic initiatives over which the Board retains control and may, at its discretion, subsequently use for other purposes; assets held by trustees under debt agreements where the restriction will lapse when the related debt is paid off; and assets designated for the malpractice programs. Amounts included in restricted cash within restricted assets held by third parties represent those held by foundations and restricted as to use by donor restriction.

***Assets Whose Use Is Limited***

Assets whose use is limited include assets set aside by the Board for future capital improvements or strategic initiatives over which the Board retains control and may, at its discretion, subsequently use for other purposes; assets held by trustees under debt agreements; assets designated for malpractice programs; and assets held by the foundations. Amounts required to meet current maturities of certain debt and the current portion of malpractice costs have been classified as current in the consolidated balance sheets.

***Patient Accounts Receivable***

Patient accounts receivables are primarily paid by federal and state governmental authorities (under the Medicare and Medicaid programs), managed health plans, commercial insurance companies, workers' compensation programs, employers and patients. Patient accounts receivable are reported at net realizable value. For accounts receivable associated with services provided to patients who have third-party coverage, the System estimates net realizable value based on the estimated contractual reimbursement percentage, which in turn is based on current contract provisions and historical paid claims by payor. For self-pay accounts, including uninsured and patient responsibility accounts, the net realizable value is determined using historical collection experience, adjusted for estimated conversions of patient responsibility portions, expected recoveries and changes in trends to estimate

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implicit price concessions. The System does not believe there are any significant concentrations of revenues from any particular payor that would subject the System to any significant credit risks in the collection of patient accounts receivable. Management continually reviews the estimated net realizable value of accounts receivable by monitoring cash collections, economic conditions and trends, changes in payor mix, changes in federal or state healthcare coverage and other matters. Changes in general economic conditions, patient accounting service center operations, payor mix, or payor claim processing could affect collections of accounts receivable, cash flows and results of operations.

The System performs periodic assessments to determine if an allowance for expected credit losses is necessary. The System considers its incurred loss experience and adjusts for known and expected events and other circumstances. In estimating its expected credit losses, the System may consider changes in the length of time its receivables have been outstanding, changes in credit ratings for payors, requests from payors to alter payment terms due to financial difficulty, and notices of payor bankruptcies or payors entering receivership. Because the System's accounts receivable is typically paid for by highly-solvent, creditworthy payors, such as Medicare, Medicaid, other governmental programs, and highly-regulated commercial insurers on behalf of the patient, the System's credit losses are not significant to the consolidated financial statements.

The mix of accounts receivable at December 31, 2024 and 2023, from patients and third-party payors is as follows:

	<u>2024</u>	<u>2023</u>
Medicare	22%	25%
Medicaid	11%	13%
Blue Cross	24%	21%
Commercial, managed care and other	40%	39%
Patients	3%	2%
Total	<u>100%</u>	<u>100%</u>

Patient accounts receivable was approximately \$755,447,000, \$755,792,000 and \$626,718,000 for the years ended December 31, 2024, 2023 and 2022, respectively.

***Other Receivables***

The System provides an allowance for credit losses, which is based upon a review of outstanding receivables, historical collection information, and existing economic conditions adjusted for current conditions and reasonable and supportable forecasts. The System has considered the various factors and determined an allowance for expected credit losses is not significant to the consolidated financial statements.

***Inventories of Supplies***

Inventories are recorded at the lower of cost or net realizable value. Cost is determined on a first-in, first-out basis.

***Assets Whose Use is Limited***

Investments in equity securities with readily determinable fair values, debt securities, exchange traded funds and mutual funds are measured at fair value. Investments in hedge funds, private equity funds and other limited partnerships are measured at net asset value. Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in revenues in excess of expenses unless the income or loss is restricted by donor or law.

The System's investments are comprised of a variety of financial instruments and are managed by investment advisors. The fair values reported in the accompanying consolidated balance sheets are subject to various risks including changes in the equity markets, the interest rate environment and general economic conditions. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the fair value of investment securities, particularly for alternative investments, it is reasonably possible that the

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amounts reported in the accompanying consolidated financial statements could change materially in the near term.

The System has an agreement with the West Virginia University Foundation, Inc. (WVU Foundation), an affiliate of the University, to manage the System's board-designated funds. Some of the System's and WVU Foundation's investments are jointly managed in commingled funds. The investment income and realized and unrealized gains and losses are allocated to the System based upon its relative ownership of each fund.

***Restricted Assets Held by Third-Parties***

WVU Foundation holds cash and securities, which are available for WVUH's purposes, subject to donor restrictions. Restricted assets are those whose use has been limited by donors for a specific time period or purpose, primarily for capital expenditures, or are required to be maintained in perpetuity.

JMC is a beneficiary of several perpetual income trusts held by third parties. JMC has an irrevocable right to receive its portion, designated by the trust agreements, of the income from the trusts' assets, which are held in perpetuity. JMC has valued its portion of the trusts based on the pro-rata share of the fair value of the assets held in each trust, which represents a proxy for the present value of future cash flows. Income received from the trusts, the use of which has not been restricted by the donors, is included in investment income. Valuation gains and losses are classified as increases or decreases in net assets with donor restrictions.

***Other Assets***

Other assets include the System's investment in several entities in which the System has a financial interest. Where the System has the ability to influence management, or has a twenty percent but not more than fifty percent interest in the entity, the investment is recorded using the equity method of accounting and adjusted periodically to reflect the System's proportionate share of the entity's undistributed earnings or losses. All other investments in such entities where the System does not have the ability to influence management or has less than twenty percent interest in the entity are recorded at cost.

***Property and Equipment***

Property and equipment acquisitions costing more than \$5,000 individually or \$10,000 in the aggregate and having a useful life longer than two years are capitalized and recorded at cost. Depreciation is provided over the estimated useful lives of the assets on a straight-line basis. Such lives, in the opinion of management, are adequate to allocate asset costs over their productive lives. Maintenance, repairs and minor improvements are expensed as incurred.

Equipment under financing leases is amortized on a straight-line method over the shorter of the lease term or the estimated useful life of the equipment. Depreciation expense, including amortization of equipment under finance leases, was approximately \$248,722,000 in 2024 and approximately \$228,484,000 in 2023.

Gifts of long-lived assets such as land, buildings, or equipment, are recorded at fair value and reported as increases in net assets without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as increases in net assets with donor restrictions unless the restrictions are met in the same period as receipt, in which case such amounts are classified within net assets without donor restrictions. Expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.



### ***Impairment of Property and Equipment***

Property and equipment are evaluated for impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. If expected cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets and reported in the non-operating section of the consolidated statement of operations.

### ***Leases***

At lease inception, the System determines whether an arrangement is or contains a lease. Operating leases are included in operating lease right-of-use (ROU) assets, accounts payable, accrued expenses, and other and noncurrent lease liabilities in the accompanying consolidated financial statements. Finance leases are included in property and equipment, current liabilities and long-term liabilities in the accompanying consolidated financial statements. ROU assets represent the System's right to use leased assets over the term of the lease. Lease liabilities represent the System's contractual obligation to make lease payments over the lease term.

For operating leases, ROU assets and lease liabilities are recognized at the commencement date. The lease liability is measured as the present value of the lease payments over the lease term. The System uses the rate implicit in the lease if it is determinable. When the rate implicit in the lease is not determinable, the System uses its incremental borrowing rate at the commencement date of the lease to determine the present value of the lease payments. Operating ROU assets are calculated as the present value of the lease payments plus initial direct costs and any prepayments less any lease incentives received. Lease terms may include renewal or extension options to the extent they are reasonably certain to be exercised. The assessment of whether renewal or extension options are reasonably certain to be exercised is made at lease commencement.

Factors considered in determining whether an option is reasonably certain of exercise include, but are not limited to, the value of any leasehold improvements, the value of renewal rates compared to market rates and the presence of factors that would cause a significant economic penalty to the System if the option were not exercised. Lease expense is recognized on a straight-line basis over the lease term. The System has elected not to recognize a ROU asset and obligation for leases with an initial term of twelve months or less. The expense associated with short-term leases is included in other operating expenses in the accompanying consolidated statements of operations.

For finance leases, after lease commencement, the lease liability is measured on an amortized cost basis and increased to reflect interest on the liability and decreased to reflect the lease payment made during the period. Interest on the lease liability is determined each period during the lease term as the amount that results in a constant period discount rate on the remaining balance of the liability. The ROU asset is subsequently measured at cost, less any accumulated amortization and any accumulated impairment losses. Amortization on the ROU asset is recognized over the period from the commencement date to the earlier of (1) the end of the useful life of the ROU asset, or (2) the end of the lease term.

The discount rate used by the System for finance leases is generally the incremental borrowing rate, as most such leases do not provide a readily determinable implicit interest rate. To the extent a lease arrangement includes both lease and non-lease components, the components are not accounted for separately.

### ***Goodwill and Other Non-Amortizable Intangible Assets***

Goodwill and other non-amortizable intangible assets represent the excess of the amount paid to acquire certain businesses over the fair value of the net assets purchased and identifiable intangible assets acquired. Prior to 2021, goodwill and other intangible assets with indefinite lives were not subject to periodic amortization, but rather are reviewed for impairment if circumstances require. The System amortizes goodwill over 10 years on the straight-line basis and only evaluates goodwill for impairment at the entity level when a triggering event occurs.

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For the years ended December 31, 2024 and 2023, amortization expense of approximately \$4,720,000 and \$4,642,000, respectively, was recognized in depreciation and amortization in the accompanying consolidated statements of operations. Amortization expense over the next five years is expected to approximate \$5,717,000 annually. In 2024, the System recognized \$4,803,000 of goodwill and other non-amortizable intangible assets related to acquisitions. In 2023, the System recognized \$4,053,000 of goodwill and other non-amortizable intangible assets related to acquisitions. Goodwill and other non-amortizable intangible assets of \$36,706,000 and \$36,624,000 at December 31, 2024 and 2023, respectively, net of accumulated amortization of \$18,090,000 and \$13,369,000 at December 31, 2024 and 2023, respectively, is included in non-current prepaid expenses and other assets, net in the accompanying consolidated balance sheets.

***Cloud Computing Arrangements***

The System has entered into hosting arrangements that are service contracts for various cloud computing arrangements. The System capitalizes implementation costs associated with these arrangements and amortizes the asset on a straight-line basis over the term of the arrangement. The System had unamortized capitalized implementation costs recorded in prepaid expenses and other assets of approximately \$24,714,000 and \$32,496,000 on the consolidated balance sheets as of December 31, 2024 and 2023, respectively. For the years ended December 31, 2024 and 2023, the System recorded approximately \$7,782,000 and \$7,396,000, respectively, of amortization expense in professional fees and purchased services on the consolidated statements of operations.

***Estimated Malpractice Costs***

The provision for estimated medical malpractice costs includes estimates of the ultimate gross costs for both reported claims and claims incurred but not reported. Anticipated insurance recoveries, if any, associated with reported claims are recorded separately in the accompanying consolidated balance sheets at net realizable value.

***Debt Issuance Costs***

Costs incurred in connection with the issuance of long-term debt have been deferred and are being amortized over the term of the related debt using the straight-line method, which approximates the effective interest method. Such costs are reflected as a reduction of long-term debt in the accompanying consolidated balance sheets. Amortization of debt issuance costs was approximately \$936,000 in 2024 and \$708,000 in 2023 and is included in interest expense on the consolidated statements of operations.

***Advertising Costs***

Advertising costs are charged to operations when incurred. Advertising expense for the years ended December 31, 2024 and 2023 was approximately \$11,346,000 and \$11,391,000, respectively, and is included in other operating expenses on the consolidated statements of operations.

***Noncontrolling Interest***

The accompanying consolidated financial statements include all assets, liabilities, revenues and expenses of entities that are controlled by the System and therefore consolidated. Noncontrolling interest in the accompanying consolidated balance sheets represents the portion of net assets owned by entities outside the System, for those entities in which the System's ownership interest is less than 100%.

***Net Assets***

Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – net assets available for use in general operations and not subject to donor restrictions. All revenue not restricted by donors and donor restricted contributions whose restrictions are met in the same period in which they are received are accounted for in net assets without donor restrictions.

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*Net Assets With Donor Restrictions* – net assets subject to donor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. All revenues restricted by donors as to either timing or purpose of the related expenditures or required to be maintained in perpetuity as a source of investment income are accounted for in net assets with donor restrictions. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. If the restriction expires during the same period as the amount was received, the contribution is reported as an increase in net assets without donor restrictions.

***Measure of Operations***

The accompanying consolidated statements of operations reflect operating income, which includes all operating revenues and expenses that are an integral part of the System's healthcare services and supporting activities and net assets released from donor restrictions to support operating expenditures. Changes in revenues in excess of expenses that are excluded from operating income, consistent with industry practice, include investment income (including realized and unrealized gains and losses on investments, interest, dividends and investment expenses), changes in net unrealized gains and losses on derivative financial instruments, inherent contributions recognized from acquisitions and losses on refinancing of long-term debt.

***Revenues in Excess of Expenses***

The consolidated statements of operations include the determination of revenues in excess of expenses. Changes in net assets without donor restrictions that are excluded from the determination of revenues in excess of expenses, consistent with industry practice, include permanent transfers of assets to and from affiliates for other than goods and services, adjustments to pension obligations and contributions of long-lived assets (including assets acquired using contributions that by donor restriction were to be used for the purposes of acquiring such assets).

***Net Patient Service Revenues***

The System has agreements with third-party payors that provide for payments to the System at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges and per diem payments.

Net patient service revenues are reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted, as necessary, in future periods as tentative and final settlements are received. It is reasonably possible that the estimates used could change in the near term.

For uninsured patients, the System recognizes revenues on the basis of its standard rates, discounted in accordance with the System's policy. On the basis of historical experience, a significant portion of the System's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the System estimates an implicit price concession related to uninsured patients in the period the services are provided.

***Capitation Payments***

The System has agreements with various managed care organizations to provide medical services to subscribing participants. Under these agreements, the System receives monthly capitation payments based on the number of participants, regardless of services actually performed.

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***Charity Care***

The System provides care to patients who meet certain criteria under its patient financial assistance policy without charge or at amounts less than its established rates. Because the System does not pursue collections of amounts determined to qualify as charity care, they are not reported as patient service revenues. The costs associated with the charity care services provided are estimated by applying a cost-to-charge ratio to the amount of gross uncompensated charges for the patients receiving charity care. The estimated cost of charity care provided by the System was approximately \$28,949,000 in 2024 and \$27,922,000 in 2023.

***Contributions***

Unconditional promises to give cash and other assets to the System are reported at fair value at the date the promise is received.

***Medicaid Provider Tax***

The West Virginia Broad Based Health Care Related Tax of 1993 assesses a tax on net patient service revenues at rates ranging from 1.75% to 5.50%, depending on the type of services provided. Additionally, the West Virginia Department of Tax and Revenue assesses a tax on net patient service revenues related to the Directed Payment Program (DPP), formerly known as the Upper Payment Limit (UPL) program (Note 3). The System incurred related taxes of approximately \$146,424,000 in 2024 and \$117,697,000 in 2023, which are included in other operating expenses in the accompanying consolidated statements of operations.

***Federal and State Income Taxes***

Most of the entities that comprise the System are tax-exempt organizations and not subject to federal or state income taxes in accordance with Section 501(c)(3) of the Internal Revenue Code. On such basis, they will not incur any liability for income taxes, except for possible unrelated business income. AHS, BCHS, PHIC, HPN, and TMHS are organizations subject to federal and/or state income taxes. The System does not have any material uncertain tax positions as of December 31, 2024 and 2023.

***Health Insurance Benefits***

The System self-funds its employee health insurance coverages and accrues the estimated costs of incurred and reported and incurred but not reported claims, after consideration of its individual and aggregate stop-loss insurance coverages, based upon data provided by the third-party administrators of the programs and its historical claims experience.

***Reclassifications***

Certain operating revenues representing retail pharmacy revenues approximating \$546,608,000 in the 2023 consolidated statements of operations were reclassified from other revenues to a separate line item in order to conform to the 2024 presentation. Certain operating expenses representing maintenance and repairs which approximated \$146,244,000 and licenses and taxes which approximated \$155,693,000 were reclassified from other operating expenses to separate line items in order to conform to the 2024 presentation. These reclassifications had no effect on previously reported total operating revenues, operating expenses, operating income or net assets.

***Subsequent Events***

The System evaluated subsequent events for recognition or disclosure through April 17, 2025, the date the consolidated financial statements were issued.

### **Note 3. Net Patient Service Revenues**

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

Performance obligations are determined based on the nature of the services provided by the System. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected charges. The System believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligations. Generally, performance obligations satisfied over time relate to patients receiving inpatient acute care services. The System measures the performance obligation from admission to the hospital to the point when the hospital is no longer required to provide services to that patient, which is generally the time of discharge. Revenue for performance obligations satisfied at a point in time generally relate to patients receiving outpatient services or patients and customers in a retail setting (for example, pharmaceuticals and medical equipment) and the System does not believe it is required to provide additional goods or services.

Because all of its performance obligations relate to contracts with a duration of less than one year, the System has elected to not disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The unsatisfied or partially unsatisfied performance obligations referred to above are primarily related to inpatient acute care services at the end of the reporting period. The performance obligations for these contracts are generally completed when patients are discharged, which generally occurs within days or weeks of the end of the reporting period.

The System determines the transaction price based on standard charges for goods and services provided, reduced by explicit price concessions provided to third-party payors, discounts provided to uninsured patients in accordance with the System's policy and implicit price concessions provided to uninsured patients and patients with third-party payer arrangements that require a copayment or deductible.

The System determines its estimates of explicit price concessions based on contractual agreements, or discount policies and historical experience. Estimated uncollectible amounts from patients are considered implicit price concessions and, therefore, included in net patient service revenues. The System determines its estimate of implicit price concessions based on its experience with this class of patients using a portfolio approach as a practical expedient to account for patient contracts as collective groups rather than individually. Management believes that the financial effects of using this practical expedient are not materially different from an individual contract approach.

Management has determined that the System has an unconditional right to payment only subject to the passage of time for services provided to date based on just the need to either finalize billing for such services (i.e., charge lag) or to discharge the patient and bill for such services for patients who are still receiving inpatient care in the System's facilities at the consolidated balance sheet date.

Accordingly, the System accrues revenues and the related accounts receivables for services performed but not yet billed at the consolidated balance sheet date for in-house patients. Thus, management has determined that the System does not have any amounts that should be reflected separately as contract assets.

The System does not recognize the promised amount of consideration from patients and third-party payors for the effects of a significant financing component due to the System's expectation that the period between the time the service is provided to a patient and the time that the patient or a third-party payor pays for that service will be one year or less. However, the System does, in certain instances, enter into payment agreements with patients that

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allow payments in excess of one year. For those cases, the financing component is not deemed to be significant to the contract. Additionally, all incremental customer contract acquisition costs are expensed as they are incurred, as the amortization period of the asset that the System otherwise would have recognized is one year or less in duration.

The System has agreements with third-party payors that provide for payments to the System at amounts different from its established rates. A significant portion of the System's net patient service revenues are derived from the following third-party payor programs. Revenues received under third-party arrangements are subject to audit and retroactive adjustment.

The System provides an allowance for credit losses, which is based upon a review of outstanding receivables, historical collection information, and existing economic conditions adjusted for current conditions and reasonable and supportable forecasts. In evaluating whether an allowance for credit losses should be recognized, the System considers information such as the amount of time receivables have been outstanding, changes in credit ratings for third-party payors, request from third-party payors to alter payment terms due to financial difficulty or enter payment plans, and notices of payor bankruptcies or receivership. Credit losses are recognized when collection on patient accounts receivable is no longer reasonably assured. Estimated amounts due from third party payors generally represent amounts due from Medicare, Medicaid, and other third-party payors, which are highly-solvent, creditworthy, and highly-regulated payors.

The System has considered the various factors and determined an allowance for expected credit losses is not significant to the consolidated financial statements.

A summary of the payment arrangements with major third-party payors follows:

*Medicare*

The majority of the System's inpatient acute care services and outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to patient classification systems that are based on clinical, diagnostic and other factors. Certain services are paid based on cost-reimbursement methodologies subject to certain limits, which are subject to retroactive audit and adjustment. Physician services are paid based upon established fee schedules. The System's critical access hospitals are reimbursed based on allowable costs for all services rendered to Medicare and Medicaid beneficiaries.

The Medicare cost reports for certain hospitals within the System have been settled by the Medicare fiscal intermediary through various years ranging from 2017 to 2022.

*Medicaid*

Inpatient acute care services rendered to the West Virginia Medicaid program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. Outpatient services are paid on a published fee schedule.

The State of West Virginia's disproportionate share plan reimburses hospitals in the State that provide Medicaid services and meet other eligibility criteria. Under the disproportionate share program, the System received approximately \$23,175,000 in 2024 and \$24,517,000 in 2023, which is included in patient service revenues in the accompanying consolidated statements of operations.

The State of West Virginia increases Medicaid reimbursement to qualified hospitals for services to Medicaid-eligible patients. Supplemental payments may be received in an amount up to the difference between current reimbursement and the maximum permissible payments under DPP regulations. The DPP payments are recorded in the period in which they are earned. The System earned DPP revenue of approximately \$170,769,000 in 2024 and \$148,769,000 in 2023, which is included in patient service revenues in the accompanying consolidated statements of operations. The laws and regulations governing DPP reimbursement are complex and subject to

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interpretation. DPP reimbursement is funded by a portion of the Medicaid Provider Tax (Note 2). There is risk that federal policy may change in the future in a way that might limit or eliminate the DPP payments but maintain the Provider Tax.

*Blue Cross*

Inpatient and outpatient services rendered to Blue Cross subscribers are paid at either prospectively determined rates per case or discounts from established charges. Revenues from Blue Cross were approximately 21% in 2024 and 2023 of total net patient service revenues.

*Other Payors*

The System has also entered into payment agreements with certain commercial insurance carriers, managed care organizations, and preferred provider organizations. The basis for payment to the System under these agreements includes prospectively determined rates per discharge, discounts from established charges, capitation payments, and prospectively determined daily rates.

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. As a result of investigations by governmental agencies, various healthcare organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which in some instances, have resulted in organizations entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation, as well as significant regulatory action, including fines, penalties, and potential exclusion from the related programs. There can be no assurance that regulatory authorities will not challenge the 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 upon the System. The results of such governmental review could include fines, penalties and exclusion from participation in the Medicare and Medicaid programs. In addition, the contracts the System has with commercial payors also provide for retroactive audit and review of claims.

Settlements with third-party payors for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with each payor, correspondence from such payor and the System'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.

On June 15, 2022, the Supreme Court ruled unanimously that the reduced rates the Centers for Medicare & Medicaid Services (CMS) was paying qualified hospitals for 340B acquired drugs during calendar years 2018 through 2022 were unlawful, and a remedy was needed. All calendar year 2022 claims for 340B-acquired drugs paid on or after September 28, 2022 were paid at the re-established rates as CMS developed a remedy for claims prior to September 28, 2022. In preparing for the remedy, CMS determined that approximately \$10.6 billion was underpaid to 340B hospitals during this time.

In the November 8, 2023 Federal Register, CMS issued its final rule and stated that the remaining \$9 billion would be paid to affected hospitals through a lump-sum payment. The System received approximately \$54,863,000 in January 2024. A receivable and related revenue of approximately \$54,412,000 was recognized as of December 31, 2023 and is included on the accompanying 2023 consolidated balance sheet in estimated third-party payor settlements and in the accompanying 2023 consolidated statement of operations as part of net patient service revenues.

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Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, review, and investigations. Adjustments arising from a change in the transaction price increased net patient service revenue approximately \$10,232,000 for the year ended December 31, 2024 and decreased net patient service revenue approximately \$2,088,000 for the year ended December 31, 2023.

Generally, patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The System also provides services to uninsured patients and offers those uninsured patients a discount, either by policy or law, from standard charges. The System estimates the transaction price for patients with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge for any discounts and price concessions. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change. Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay are recorded as bad debt expense.

Consistent with the System's mission, care is provided to patients regardless of their ability to pay. Therefore, the System has determined it has provided implicit price concessions to uninsured patients and patients with other uninsured balances (for example, copays and deductibles). The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and the amounts the System expects to collect based on its collection history with those patients.

The System has determined that the nature, amount, timing, and uncertainty of revenue and cash flows are affected by the following factors: payors, geography, service lines, and method of reimbursement. The System's revenues from third-party payors and others (including uninsured patients) for the years ended December 31, 2024 and 2023 are summarized in the following tables (in thousands):

	<b>2024</b>	
	<b>Total</b>	<b>Ratio</b>
Medicare & Medicare managed care	\$ 2,133,579	37%
Medicaid & Medicaid managed care	702,625	12%
Commercial insurers	2,944,119	50%
Other	67,056	1%
Revenues	<u>\$ 5,847,379</u>	<u>100%</u>

	<b>2023</b>	
	<b>Total</b>	<b>Ratio</b>
Medicare & Medicare managed care	\$ 1,922,499	37%
Medicaid & Medicaid managed care	695,967	13%
Commercial insurers	2,441,127	47%
Other	161,158	3%
Revenues	<u>\$ 5,220,751</u>	<u>100%</u>

Revenue from payment of deductibles and coinsurance by patients and guarantors are included in the categories presented above based on the primary payor.



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**Note 4. Assets Whose Use is Limited**

The composition of assets whose use is limited at December 31, 2024 and 2023 is as follows (in thousands):

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 255,783	\$ 315,373
U.S. Government and agency obligations	165,052	224,309
Marketable equity securities	98,745	103,612
Marketable debt securities	41,416	74,574
Mutual funds		
Domestic equity	10,889	48,369
International equity	106,323	115,541
Domestic fixed income	187,993	67,343
Global bonds	4,631	10,006
Natural resources	62,337	46,973
Exchange traded funds, domestic equity	412,648	240,403
Exchange traded funds, domestic fixed income	17,367	34,253
Alternative investments	<u>500,400</u>	<u>508,052</u>
 Total assets whose use is limited	 1,863,584	 1,788,808
 Less: current portion of assets whose use is limited	 <u>(32,670)</u>	 <u>(27,768)</u>
 Noncurrent portion of assets whose use is limited	 <u>\$ 1,830,914</u>	 <u>\$ 1,761,040</u>

The System has commitments for the additional purchase of ownership in limited partnerships (private equity and venture capital funds), which are classified as alternative investments in the table above. Total unfunded commitments at December 31, 2024 and 2023 were approximately \$114,935,000 and \$143,968,000, respectively, and are due over approximately the next ten years. Funding for these commitments is expected to come from board-designated funded depreciation assets.

Investment income, gains and losses included in net assets without donor restrictions are comprised of the following in 2024 and 2023 (in thousands):

	<u>2024</u>	<u>2023</u>
Investment income		
Interest and dividend income	\$ 57,838	\$ 38,459
Fees	(9,881)	(9,415)
Net realized and unrealized gains	<u>104,575</u>	<u>79,221</u>
 Total	 <u>\$ 152,532</u>	 <u>\$ 108,265</u>

**Note 5. Fair Value Measurements and Financial Instruments**

The System measures its assets whose use is limited, restricted assets held by third-parties, other investments, and derivative financial instruments on a recurring basis in accordance with accounting principles generally accepted in the United States. Fair value is defined as the price that would be received to sell an asset or the price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. The framework that the authoritative guidance establishes for measuring fair value includes a hierarchy used to classify the inputs used in measuring fair value. The hierarchy prioritizes the inputs used in determining valuations into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement.

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The levels of the fair value hierarchy are as follows:

- Level 1** Fair value is based on unadjusted quoted prices in active markets for identical assets or liabilities. These generally provide the most reliable evidence and are used to measure fair value whenever available.
- Level 2** Fair value is based on significant inputs, other than Level 1 inputs, that are observable either directly or indirectly for substantially the same term of the asset or liability through corroboration with observable market data. Level 2 inputs include quoted market prices in active markets for similar assets, quoted market prices in markets that are not active for identical or similar assets and other observable inputs.
- Level 3** Fair value is based on significant unobservable inputs. Examples of valuation methodologies that would result in Level 3 classification include option pricing models, discounted cash flows and other similar techniques. Significant changes in these inputs could result in significant increases or decreases in fair value.

The System has elected the practical expedient to estimate the fair value of certain alternative investments using the net asset value per share (NAV). There were no transfers into Level 3 during the years ended December 31, 2024 and 2023.

The fair value of financial instruments listed below was determined using the following valuation hierarchy at December 31, 2024 (in thousands):

	<b>Quoted Prices In Active Markets (Level 1)</b>	<b>Other Observable Inputs (Level 2)</b>	<b>Unobservable Inputs (Level 3)</b>	<b>NAV (A)</b>	<b>Total</b>
Assets – recurring fair value measurements					
Assets whose use is limited					
Cash and cash equivalents	\$ 255,783	\$ -	\$ -	\$ -	\$ 255,783
U.S. Government and agency agency obligations	165,052	-	-	-	165,052
Marketable equity securities	98,745	-	-	-	98,745
Marketable debt securities	18,882	22,534	-	-	41,416
Mutual funds					
Domestic equity	10,889	-	-	-	10,889
International equity	106,323	-	-	-	106,323
Domestic fixed income	147,162	40,831	-	-	187,993
Global bonds	4,631	-	-	-	4,631
Natural resources	62,337	-	-	-	62,337
Exchange traded funds, domestic equity	412,648	-	-	-	412,648
Exchange traded funds, domestic fixed income	17,367	-	-	-	17,367
Alternative investments	-	-	-	500,400	500,400
Total assets whose use is limited investments at fair value	<u>\$ 1,299,819</u>	<u>\$ 63,365</u>	<u>\$ -</u>	<u>\$ 500,400</u>	<u>\$ 1,863,584</u>
Other investments					
Marketable equity securities	<u>\$ 15,952</u>	<u>\$ 2,345</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,297</u>
Restricted assets held by third- parties					
Cash and equivalents	\$ -	\$ -	\$ -	\$ 14,057	\$ 14,057
Other	-	-	-	6,176	6,176
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,233</u>	<u>\$ 20,233</u>
Liabilities – recurring fair value measurements					
Derivative financial instruments	<u>\$ -</u>	<u>\$ 8,633</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,633</u>
Assets disclosed at fair value					
Cash and cash equivalents	<u>\$ 835,733</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 835,733</u>

- (A) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the accompanying consolidated balance sheets.

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The fair value of financial instruments listed below was determined using the following valuation hierarchy at December 31, 2023 (in thousands):

	<b>Quoted Prices In Active Markets (Level 1)</b>	<b>Other Observable Inputs (Level 2)</b>	<b>Unobservable Inputs (Level 3)</b>	<b>NAV (A)</b>	<b>Total</b>
Assets – recurring fair value measurements					
Assets whose use is limited					
Cash and cash equivalents	\$ 315,373	\$ -	\$ -	\$ -	\$ 315,373
U.S. Government and agency obligations	224,309	-	-	-	224,309
Marketable equity securities	103,612	-	-	-	103,612
Marketable debt securities	13,332	61,242	-	-	74,574
Mutual funds					
Domestic equity	48,369	-	-	-	48,369
International equity	115,541	-	-	-	115,541
Domestic fixed income	55,220	12,123	-	-	67,343
Global bonds	10,006	-	-	-	10,006
Natural resources	46,973	-	-	-	46,973
Exchange traded funds, domestic equity	240,403	-	-	-	240,403
Exchange traded funds, domestic fixed income	34,253	-	-	-	34,253
Alternative investments	-	-	-	508,052	508,052
Total assets whose use is limited investments at fair value	<u>\$ 1,207,391</u>	<u>\$ 73,365</u>	<u>\$ -</u>	<u>\$ 508,052</u>	<u>\$ 1,788,808</u>
Other investments					
Marketable equity securities	<u>\$ 14,522</u>	<u>\$ 2,365</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,887</u>
Restricted assets held by third-parties					
Cash and equivalents	\$ -	\$ -	\$ -	\$ 12,822	\$ 12,822
Other	-	-	-	5,893	5,893
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,715</u>	<u>\$ 18,715</u>
Liabilities – recurring fair value measurements					
Derivative financial instruments	<u>\$ -</u>	<u>\$ 13,734</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,734</u>
Assets disclosed at fair value					
Cash and cash equivalents	<u>\$ 595,830</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 595,830</u>

(A) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the accompanying consolidated balance sheets.

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The following table presents the nature and risk of investments reported at NAV as of December 31, 2024 and 2023 (in thousands):

	<u>Fair Value at 12/31/2024</u>	<u>Fair Value at 12/31/2023</u>
Alternative investments		
Hedge funds		
Diversifying strategies	\$ 95,231	\$ 103,565
Private investments		
Venture capital	215,275	215,528
Buyouts	85,062	84,843
Private opportunistic fixed income	22,912	23,720
Natural resources - private	30,261	32,565
Real estate - private	37,136	32,682
Co-investments	8,781	9,616
Infrastructure	<u>5,742</u>	<u>5,533</u>
Total	<u>\$ 500,400</u>	<u>\$ 508,052</u>

*Hedge Funds*

The System invests in certain equity and fixed income strategies which, due to lockups, are classified as hedge funds. These investments are estimated using the NAV provided by the hedge fund managers as a practical expedient due to varying levels of determinable fair values and potential inability for redemption. Certain hedge funds may permit partial liquidity upon redemption with the remaining illiquid assets possessing no definite schedule for distribution.

The investments in these strategies are in assets located both in and outside the United States. Investments in this category, for which there are no readily determinable fair values, are estimated using the NAV provided by the general partner due to the inability for redemption and the lack of market prices.

*Buyouts and Venture Capital*

The System invests in buyout and venture capital funds that are limited partnerships and not publicly traded. These funds have investments in private companies located both in and outside the United States. Investments in this category, for which there are no readily determinable fair values, are estimated using the NAV provided by the general partner due to the inability for redemption and the lack of market prices. Distributions are made from the funds as the fund matures. Redemptions are not permitted during the life of the partnerships. Partnership lives are generally 10 years with an option to extend an additional 2 to 3 years. When assets are sold, the proceeds, less any incentives due to the partnership's general partner, are to be distributed to investors.

*Co-Investments*

The System invests in co-investments that are limited partnerships and not publicly traded. These vehicles are unique from other private market funds as they are an additional investment in a single private company and can be located both in and outside the United States. Investments in this category, for which there are no readily determinable fair values, are estimated using the NAV provided by the general partner due to the inability for redemption and the lack of market prices. Distributions are made from the co-investment vehicle whenever the investment is realized or distributes dividends. Redemptions are not permitted during the life of the partnerships. Partnership lives are generally 10 years with an option to extend additional years. When assets are sold, the proceeds, less any incentives due to the partnership's general partner, are to be distributed to investors.

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*Private Opportunistic Fixed Income*

The System invests in private opportunistic fixed income funds (distressed debt, mezzanine, and private credit) that are limited partnerships and not publicly traded. These funds have investments in private companies located both in and outside the United States. Investments in this category, for which there are no readily determinable fair values, are estimated using the NAV provided by the general partner due to the inability for redemption and the lack of market prices. Distributions are made from the funds as the fund matures. Redemptions are not permitted during the life of the partnerships. Partnership lives are generally 6 to 10 years with an option to extend an additional 2 to 3 years. When assets are sold, the proceeds, less any incentives due to the partnership's general partner, are to be distributed to investors.

*Natural Resources - Private*

The System invests in energy, timber, infrastructure, and farmland funds that are limited partnerships and not publicly traded. These funds have investments in private natural resource assets located both in and outside the United States. Investments in this category, for which there are no readily determinable fair values, are estimated using the NAV provided by the general partner due to the inability for redemption and the lack of market prices. Distributions are made from the funds as the funds mature. Redemptions are not permitted during the life of the partnerships. Partnership lives range from 10 to 15 years with an option to extend an additional 2 to 3 years. When assets are sold, the proceeds, less any incentives due to the partnership's general partner, are to be distributed to investors.

*Infrastructure*

The System invests in private infrastructure funds that are limited partnerships and not publicly traded. These funds have investments in private infrastructure assets located both in and outside the United States. Investments in this category, for which there are no readily determinable fair values, are estimated using the NAV provided by the general partner due to the inability for redemption and the lack of market prices. Distributions are made from the funds as the funds mature. Redemptions are not permitted during the life of the partnerships. Partnership lives range from 10 to 15 years with an option to extend an additional 2 to 3 years. When assets are sold, the proceeds, less any incentives due to the partnership's general partner, are to be distributed to investors.

*Real Estate - Private*

The System invests in real estate funds that are limited partnerships and not publicly traded. These funds have investments in properties located both in and outside the United States. Investments in this category, for which there are no readily determinable fair values, are estimated using the NAV provided by the general partner due to the inability for redemption and the lack of market prices. Distributions are made from the funds as the fund matures. Redemptions are not permitted during the life of the partnerships. Partnership lives range from 8 to 12 years with an option to extend an additional 2 to 3 years. When assets are sold, the proceeds, less any incentives due to the partnership's general partner, are to be distributed to investors.

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value and for financial instruments disclosed at fair value. There have been no changes in methodologies used at December 31, 2024 and 2023.

Cash and cash equivalents: The carrying amounts approximate fair value because of the short maturity of these financial instruments.

U.S. Government and agency obligations and marketable debt securities: Valued based on spreads of published interest rate curves.

Marketable equity securities: Valued at the closing price reported on the active market on which the individual securities are traded.

Exchange traded funds: Valued at the quoted NAV of shares (basis for trade) held by the System at year end.

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Mutual funds: Mutual funds include investments in individual mutual funds and commingled funds (fund of funds). The individual mutual funds are valued at the quoted NAV of shares (basis for trade) held by the System at year end and are considered Level 1. The System has access to a detailed listing of the underlying assets of the commingled funds, the majority of which are publicly traded, but shares of the commingled funds themselves are not publicly traded. The System is provided a NAV per share for these funds that has been calculated in accordance with investment company rules, which among other requirements indicates that the underlying investments be measured at fair value.

Alternative investments: Alternative investments are comprised of hedge funds and private limited partnerships. The fair values of these investments are estimated using the NAV provided by the general partner as a practical expedient. Hedge funds are not publicly traded and offer some liquidity with partial redemptions being permitted while remaining illiquid assets possess no definite schedule for distribution. Hedge fund investments are fully funded at the beginning of the life of the investment. Investments in private limited partnerships in the following asset classes are not publicly traded and do not allow for redemptions during the life of the investment: private equity, venture capital, private opportunistic fixed income, private real estate, private natural resources, and infrastructure. The life of a private partnership is typically 10 to 15 years with some having an option to extend an additional 2 to 3 years. Private limited partnerships have an investment commitment amount that is drawn down over time based on the cash needs of each individual partnership. Management anticipates that distributions from existing limited partnerships will provide much of the liquidity necessary to satisfy remaining unfunded commitments.

Restricted assets held by third-parties: Assets consist primarily of cash and cash equivalents and mutual funds. Beneficial interests in perpetual trusts are valued based on the fair value of the trusts' underlying assets, which represents a proxy for discounted present value of future cash flows.

Derivative financial instruments: Valued based on proprietary models of a valuation specialist. The fair value takes into consideration the prevailing interest rate environment and the specific terms and conditions of the derivative financial instruments and was estimated using the zero-coupon discounting method. This method calculates the future payments required by the derivative financial instruments, assuming that the current forward rates implied by the yield curve are the market's best estimate of future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for a hypothetical zero-coupon rate bond due on the date of each future net settlement payment on the derivative financial instruments. The value represents the estimated exit price the System would pay to terminate the agreements.

The preceding methods described may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, although the System believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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**Note 6. Property and Equipment**

Property and equipment and related accumulated depreciation consist of the following at December 31, 2024 and 2023 (in thousands):

	<u>2024</u>	<u>2023</u>
Land	\$ 103,169	\$ 78,849
Land improvements	105,640	104,202
Buildings and building improvements	1,848,335	1,741,978
Equipment including leased assets	2,062,384	1,870,600
Leasehold improvements	<u>55,549</u>	<u>55,034</u>
Total	4,175,077	3,850,663
Less: accumulated depreciation	<u>(2,086,395)</u>	<u>(1,872,489)</u>
	2,088,682	1,978,174
Construction in progress	<u>262,828</u>	<u>157,731</u>
Property and equipment, net	<u>\$ 2,351,510</u>	<u>\$ 2,135,905</u>

Construction in progress consists primarily of major renovation and expansion projects. Interest costs incurred on borrowed funds, net of income earned, during the period of construction of facilities are capitalized as a component of the cost of those assets. WVUHS has capitalized approximately \$494,000 and \$729,000 of interest associated with outstanding projects during the period ending December 31, 2024 and 2023, respectively. Purchase commitments related to these and other capital related projects were approximately \$107,870,000 and \$143,660,000 at December 31, 2024 and 2023, respectively.

**Note 7. Lines of Credit**

WVUHS maintains unsecured revolving lines of credit in the amount of \$175,000,000 which is scheduled to expire on April 1, 2027. There were borrowings outstanding of approximately \$61,723,000 and \$54,354,000 as of December 31, 2024 and 2023, respectively. Borrowings under the agreements bear interest at a variable rate determined by the Term Secured Overnight Financing Rate (SOFR) plus 0.60% and the Daily Simply SOFR plus 0.65%.

WH maintained a revolving line of credit in the amount of \$10,000,000 which is scheduled to expire on June 30, 2026. Interest accrues at a rate per annum which is at all times equal to the sum of the daily SOFR rate plus 90 basis points. There were borrowings outstanding of approximately \$4,552,000 and \$0 as of December 31, 2024 and 2023, respectively. This line of credit is secured by certain assets limited as to use of WH.

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**Note 8. Long-Term Debt**

A summary of long-term debt at December 31, 2024 and 2023 is as follows (in thousands):

	<u>2024</u>	<u>2023</u>
West Virginia Hospital Finance Authority Bonds		
2023 Series – WVUH, JGH	\$ 285,930	\$ 285,930
2020 Series – WVUHS, WVUH, CCMC	335,000	335,000
2018 Series – WVUH, UHC, CCMC, BMC, JMC	524,805	532,475
2017 Series – WVUH, UHC	185,320	185,320
2016 Series – WVUH, UHC, CCMC, BMC	203,600	214,255
2015 Series – UHC, SJH, PVH	22,864	24,511
2012 Series – WVUH, UHC, CCMC, BMC, JMC, UHCF	9,520	10,940
2007 Series – UTN	29,365	31,045
Other notes payable	440,776	312,287
Finance lease obligations (see Note 14)	<u>120,976</u>	<u>104,663</u>
Total long-term debt	2,158,156	2,036,426
Net unamortized bond premium	20,232	22,267
Debt issuance costs	(9,519)	(10,455)
Current maturities of long-term debt	<u>(207,899)</u>	<u>(58,974)</u>
Long-term debt, net	<u>\$ 1,960,970</u>	<u>\$ 1,989,264</u>

The scheduled principal repayments as of December 31, 2024 are as follows (in thousands):

**Years Ending**  
**December 31**

2025	\$ 207,899
2026	65,119
2027	59,615
2028	52,913
2029	60,028
Thereafter	<u>1,712,582</u>
Total	<u>\$ 2,158,156</u>

***Obligated Group***

The Obligated Group consists of WVUHS, WVUH, UHC, CCMC, BMC, JMC, UHCF, RMH, SJH, PVH, BCMH, SRMC, JGH, WCH, UH, and BHA. All members of the Obligated Group are jointly and severally liable for all outstanding obligations of the Obligated Group. Payments of principal and interest are collateralized by a pledge of revenues of the Obligated Group.

The Obligated Group is required to maintain certain financial ratios, maintain adequate insurance coverage, maintain net revenue requirements, maintain average annual debt service requirements, comply with certain limitations on additional debt, and comply with annual reporting requirements.



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The variable rate demand bonds, while subject to long-term amortization periods, may be put to the System at the option of the bondholders in connection with certain remarketing dates. Such variable rate demand bonds are classified as long-term in the accompanying balance sheets as they are secured by letters of credit or standby bond purchase agreements, totaling \$57,040,000 and \$61,110,000 at December 31, 2024 and 2023, respectively, that do not expire within the next year.

*2023 Series – Hospital Revenue Improvement Bonds*

In 2023, the West Virginia Hospital Finance Authority (Authority) issued \$285,930,000 of Hospital Revenue Improvement Bonds (2023 Bonds) on behalf of the Obligated Group. The proceeds of the 2023 Bonds were used to reimburse the costs of construction, renovation and construction of various projects at WVUH, construction of a two-story addition including a new emergency department at JGH and pay for the costs of issuance.

The 2023 Bonds include fixed rate serial bonds of \$285,930,000 maturing in 2037 through 2053, with interest rates ranging from 4.125% to 5.000%.

*2020 Series – Hospital Revenue Refunding Bonds*

In 2020, the Authority issued \$335,000,000 of Hospital Revenue Refunding and Improvement Bonds (2020 Bonds) on behalf of the Obligated Group. The proceeds of the 2020 Bonds were used to advance refund the Series 2013 Bonds; refinance the 2020 Term Loan; finance the acquisition of Wheeling Hospital; reimburse the costs of various capital improvements and equipment for WVUH; and pay for the costs of issuance. The 2020 Bonds are fixed rate taxable bonds that are scheduled to mature in 2050 with an interest rate of 3.15%.

*2018 Series – Hospital Revenue Improvement Bonds*

In 2018, the Authority issued \$567,870,000 of Hospital Revenue Refunding and Improvement Bonds (2018 Bonds) on behalf of the Obligated Group. The proceeds of the 2018 Bonds were used to advance refund certain then-outstanding debt; reimburse the costs of various capital improvements and equipment for WVUH; and pay for the costs of issuance.

The outstanding 2018 Bonds include fixed rate tax-exempt term bonds of \$218,550,000 maturing in 2051 and 2052 with interest rates ranging from 4.00% to 5.00%; fixed rate taxable term bonds of \$210,850,000 maturing in 2048 with an interest rate of 4.9%, variable rate bonds of \$95,405,000 maturing in 2033, 2034 and 2041 with interest rates ranging from 1.6% to 1.9%.

*2017 Series – Hospital Revenue Improvement Bonds*

In 2017, the Authority issued \$185,320,000 of Hospital Revenue Improvement Bonds (2017 Bonds) on behalf of the Obligated Group. The proceeds of the 2017 Bonds were used to complete the construction and equipping of the SouthEast Tower at WVUH; construct and equip the Heart and Vascular Institute in the SouthEast Tower at WVUH; construct, equip and/or expand existing space at WVUH; and pay for the costs of issuance.

The 2017 Bonds include fixed rate serial bonds of \$46,135,000 maturing in 2027 through 2037 with interest rates ranging from 3.375% to 5.000%; and fixed rate term bonds of \$139,185,000 maturing in 2042 and 2047, with interest rates ranging from 4.25% to 5.00%.

*2016 Series – Hospital Revenue Refunding Bonds*

In 2016, the Authority issued \$260,890,000 of Hospital Revenue Refunding Bonds (2016 Bonds) on behalf of the Obligated Group. The proceeds of the 2016 Bonds were used to advance refund certain then-outstanding debt and pay for the costs of issuance.

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The outstanding 2016 Bonds include fixed rate serial bonds of \$166,110,000 scheduled to mature in 2025 through 2036 with interest rates ranging from 2.50% to 5.00% and fixed rate term bonds of \$37,490,000 maturing in 2039 and 2041 with interest rates ranging from 3.25% to 4.00%.

*2015 Series – Hospital Revenue Bonds*

In 2015, the Authority issued \$33,860,000 of Hospital Revenue Bonds (2015 Bonds) on behalf of the Obligated Group. The proceeds of the 2015 Bonds were used to refund the existing PVH debt; reimburse the costs of various capital improvements and equipment for PVH; finance the acquisition of SJH; refund the existing SJH debt; and pay for the costs of issuance.

The 2015 Bonds include variable rate bonds of \$22,864,000 maturing in 2027 through 2044 with interest rates ranging from 2.90% to 3.72% at December 31, 2024 and 2023, respectively.

*2012 Series – Hospital Refunding Bonds*

In 2012, the Authority issued \$178,000,000 of Hospital Refunding Bonds (2012 Bonds) on behalf of the Obligated Group. The proceeds of the 2012 Bonds were used to refund certain then-outstanding debt; reimburse the costs of various capital improvements and equipment for WVUH, CCMC and BMC; and pay for the costs of issuance.

The outstanding 2012 Bonds of \$9,520,000 are scheduled to mature at various times through 2030 with a variable interest rate of 4.95% and 4.96% at December 31, 2024 and 2023, respectively.

*2007 Series – Hospital Revenue Bonds*

In 2007, the Fayette County Hospital Authority issued \$50,000,000 Hospital Revenue Bonds (2007 Bonds) on behalf of UH. The proceeds of the 2007 Bonds were used to construct a new patient tower, demolition of existing building and refunding of prior bonds. The outstanding 2007 Bonds of \$29,365,000 are scheduled to mature at various times through 2037 with a variable interest rate of 3.57% and 3.83% at December 31, 2024 and 2023, respectively.

*Other Notes Payable and Finance Lease Obligations*

Other notes payable and finance leases consist of bank loan agreements and finance leases that are secured by equipment and property with various expiration dates and require monthly principal and interest payments.

In December 2024, WH obtained a \$34,060,000 term loan from a commercial bank. Monthly interest and principal payments are due beginning February 2025 with a final payment of the remaining outstanding balance on December 1, 2034. Interest is assessed at a rate of 5.01%. The principal balance of the loan was \$34,060,000 at December 31, 2024.

In November 2024, TMH obtained a \$142,701,000 term loan from a commercial bank. Monthly interest is due beginning December 2024 and all principal is due on October 31, 2025. Interest is assessed at a rate of the one-month SOFR rate plus 40 basis points. The principal balance of the loan was \$142,701,000 at December 31, 2024.

In December 2023, the System obtained a \$15,000,000 term loan from a commercial bank. Monthly interest and principal payments are due beginning in January 2024 with a final payment of the remaining outstanding balance on December 18, 2028. Interest is assessed at a fixed rate of 5.39%. The principal balance of the loan was \$12,320,000 and \$15,000,000 at December 31, 2024 and 2023, respectively.

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In May 2023, PCH obtained a \$57,000,000 term loan from a commercial bank. Monthly interest payments are due beginning June 1, 2023 and annual principal payments ranging from \$860,000 to \$1,095,000 are due beginning June 1, 2024 with one final payment due May 1, 2030. Interest is assessed at a variable rate equal to Term SOFR plus 0.62% (6.00% at December 31, 2024). The principal balance of the loan was \$56,140,000 and \$57,000,000 at December 31, 2024 and 2023, respectively.

In April 2023, THS obtained a \$70,000,000 term loan from a commercial bank. Monthly interest payments are due beginning on May 20, 2023 with a final balloon payment on April 28, 2030 equal to the then-outstanding principal balance. Interest is assessed at a variable rate equal to Term SOFR plus 0.70% (6.08% as of December 31, 2024). The principal balance of the loan was \$69,220,000 and \$70,000,000 at December 31, 2024 and 2023, respectively.

In June 2022, GRMC obtained a \$12,500,000 term loan from a commercial bank. Annual principal payments of \$833,000 are due beginning on June 30, 2023 with a final maturity on June 30, 2037. Interest is assessed at a fixed rate of 3.35% per annum. The principal balance of the loan was \$10,833,000 and \$11,667,000 at December 31, 2024 and 2023, respectively.

In July 2021, the System converted a taxable term loan and the Series 2011 Bond to a term loan in the amount of \$14,900,000. Principal and interest payments of \$139,488 are due monthly beginning August 1, 2021 with one final payment for the remaining balance in July 2031. The loan bears a fixed interest rate of 2.73% per annum. The balance of the loan was \$10,387,000 and \$11,753,000 at December 31, 2024 and 2023, respectively.

In June 2019, WVHCC obtained a \$10,000,000 term loan from a commercial bank to refinance SRMC existing debt as part of the SRMC acquisition. Principal payments of \$42,000 are due monthly. Interest is also payable monthly at a variable rate equal to one month LIBOR plus 0.75%. Effective May 1, 2023, the loan was amended to base interest on a variable rate equal to Term SOFR plus 0.75%. All remaining principal and interest is due on the loan maturity date of June 27, 2029. The term loan is guaranteed by the Obligated Group. The principal balance of the loan was \$7,250,000 and \$7,750,000 at December 31, 2024 and 2023, respectively.

In November 2017, Recovery obtained a \$12,954,000 note payable from a commercial bank. Principal and interest payments of \$70,395 are due monthly beginning December 15, 2017 with a final maturity on January 15, 2044. The note bears a fixed interest rate of 4.28% per annum. The balance of the loan was \$11,003,000 and \$11,369,000 at December 31, 2024 and 2023, respectively.

In August 2014, WVUH purchased a parcel of land and office building for a purchase price of \$21,547,000. WVUH paid \$3,715,500 in cash at closing and financed the remaining purchase price with a 20-year promissory note. Principal and interest payments approximating \$133,000 are due monthly and the note bears interest at a fixed rate of 6.50% per annum. The principal balance of this note was \$11,288,000 and \$12,120,000 at December 31, 2024 and 2023, respectively.

In July 2014, WH entered into a convertible line of credit note that converted to an amortizing term loan payable in the amount of \$10,000,000 to finance various WH capital improvements. The loan bears interest at the daily SOFR plus 0.90%. The loan converted on July 28, 2016, to an amortizing term loan payable and equal monthly principal payments of \$31,000, which began in August 2016. Principal payments are being made over a period of eight years, with a balloon payment due at the end of 2024. This loan is secured by certain investments of WH. The principal balance of this note was \$4,750,000 at December 31, 2023. During 2024, the term loan was paid off in full.

In November 2010, WH entered into a mortgage loan agreement in the amount of \$58,370,000 to finance various WH capital improvements. Interest and principal payments are due over a 25-year term maturing in April 2037. The loan bears interest at a fixed interest rate of 4.35% per annum. The balance of this note was \$39,963,000 at December 31, 2023. During 2024, the mortgage loan was paid off in full.

## **Note 9. Derivative Financial Instruments**

The System's primary objective for holding derivative financial instruments is to manage interest rate risk. The System does not utilize interest rate swap agreements or other financial instruments for trading or other speculative purposes. The derivative financial instruments are recorded at fair value based upon information supplied by the counterparty as described in Note 5.

In 2003, the System entered into two interest rate swap agreements (2003 Agreements) in connection with certain then-existing debt. The first agreement had a notional value of \$4,700,000 and terminated on June 1, 2016. The second agreement, which has transferred to the 2012 Bonds, has a notional value of \$27,750,000 and terminates on June 1, 2033. The 2003 Agreements require the System to pay a fixed rate while receiving variable interest rates based upon 70% of Fallback Compounded SOFR plus 0.080136%. The fair value of the 2003 Agreements liability was approximately \$1,288,000 and \$2,013,000 at December 31, 2024 and 2023, respectively.

In 2004, CCMC entered into an interest rate swap agreement (2004 Agreement) in connection with certain then-existing debt. In conjunction with the affiliation with WVUHS on March 1, 2011, the 2004 Agreement was amended to include the Obligated Group. Further, the 2004 Agreement was amended and restated effective March 13, 2014. The 2004 Agreement, which transferred to the 2018 Bonds, has a notional value of \$37,600,000 and terminates on February 15, 2034. The 2004 Agreement requires the System to pay a fixed rate while receiving a variable interest rate based upon 67% of Fallback Compounded SOFR plus 0.3767%. The fair value of the 2004 Agreement liability was approximately \$1,796,000 and \$2,754,000 at December 31, 2024 and 2023, respectively.

In 2005, the System entered into an interest rate swap agreement (2005 Agreement) in connection with certain then-existing debt. The 2005 Agreement, which has transferred to the 2012 Bonds, had a notional value of \$8,550,000 and was terminated in 2024. The 2005 Agreement required the System to pay a fixed rate while receiving a variable interest rate of 70% of Fallback Compounded SOFR plus 0.11448%. The fair value of the 2005 Agreement liability was approximately \$447,000 at December 31, 2023.

In 2006, the System entered into two interest rate swap agreements (2006 Agreements) in connection with certain then-existing debt, which were most recently amended and restated effective March 13, 2014. The first agreement, which has transferred to the 2018 Bonds, has a notional value of \$17,275,000 and terminates on June 1, 2041. The second agreement has a notional value of \$33,025,000 and terminates on June 1, 2041. The 2006 Agreements require the System to pay a fixed rate while receiving variable interest rates based upon 70% of Fallback Compounded SOFR. The fair value of the 2006 Agreements liability was approximately \$3,827,000 and \$5,822,000 at December 31, 2024 and 2023, respectively.

In 2007, CCMC entered into an interest rate swap agreement (2007 Agreement) in connection with certain then-existing debt. In conjunction with the affiliation with WVUHS on March 1, 2011, the 2007 Agreement was amended to include the Obligated Group. Further, the 2007 Agreement was amended and restated effective March 13, 2014. The 2007 Agreement has a notional value of \$12,975,000 and terminates on February 15, 2034. The 2007 Agreement requires the System to pay a fixed rate while receiving a variable interest rate based upon 67% of Daily Simple SOFR plus 0.11448%. The fair value of the 2007 Agreement liability was approximately \$589,000 and \$919,000 at December 31, 2024 and 2023, respectively.

In 2007, UH entered into an interest rate swap agreement (2007 UH Agreement) in connection with certain then-existing debt. The 2007 UH Agreement has a notional value of \$20,810,000 and terminates on June 1, 2037. The 2007 UH Agreement requires the System to pay a fixed rate while receiving a variable interest rate based upon 67% of Daily Simple SOFR plus 0.11448%. The fair value of the 2007 UH Agreement liability was approximately \$1,133,000 and \$1,779,000 at December 31, 2024 and 2023, respectively.

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The System recognizes gains and losses from changes in fair values of interest rate swap agreements as non-operating revenue or expense within revenues in excess of expenses in the accompanying consolidated statement of operations. The net cash paid or received under the swap agreements is recognized as an adjustment to interest expense. No termination payments would be required if the swap agreements are held to maturity.

Entering into interest rate swap agreements involves, to varying degrees, elements of credit, default, prepayment, market and documentation risk. Such risks involve the possibility that there will be no liquid market for these agreements, the counterparty to these agreements may default on its obligation to perform and there may be unfavorable changes in interest rates. The notional amounts of the swap agreements are used to measure the interest to be paid or received and do not represent the amount of exposure to credit loss. Exposure to credit loss is limited to the receivable amount, if any, which may be generated as a result of the swap agreements. Management believes that losses related to credit risk are remote.

## **Note 10. Pension Plans**

### ***Defined Contribution Plans***

The System provides a defined contribution plan that covers substantially all full-time and part-time employees. Employees who are not part of the WVUH local union are eligible to contribute, and the System will match a percentage of their base compensation up to a limit of 4.5%. Employee contributions are 100% vested upon entry into the plan, and employer contributions are subject to a three-year cliff vesting schedule. Employees who are members of the WVUH local union are eligible to contribute, and the System will match a percentage of their based compensation up to a limit of 5%. The employer matching contribution begins after the completion of two-years of service, and both the employee and employer contributions are 100% vested upon entry into the plan.

The System also maintains a frozen defined contribution plan. This plan was used to merge prior 401(k) and 401(a) defined contribution plans as part of a benefit standardization process in January 2019. The plan is frozen to new contributions.

Less than 1% of WVUH's employees continue to be paid by the State of West Virginia. Those employees also participate in a defined contribution plan for State employees. WVUH reimburses the State for all costs of these employees, including salaries and wages, pension expense, and other related fringe benefits.

AHSL provides a defined contribution plan that covers all employees. Employees are eligible to contribute, and AHSL will match a percentage of their base compensation up to a limit of 4.5%. Employee contributions are 100% vested upon entry into the plan and employer contributions are subject to a three-year cliff vesting schedule.

The System's expense related to the employer match to the 403(b) plans was \$67,935,000 in 2024 and \$62,866,000 in 2023 and is recorded in employee benefits on the consolidated statements of operations.

### ***Defined Benefit Plans***

Current financial reporting standards require the service cost component of net benefit cost to be reported in the same line item or items as other compensation costs arising from services rendered by the pertinent employees during the period.

There are minimal service costs associated with the System's defined benefit plans as they were either frozen or terminated as of December 31, 2024 and 2023. The other components of net periodic pension cost are required to be presented in the consolidated statements of operations separately from the service cost component and outside the subtotal operating income. The System's net period benefit costs for the years ended December 31, 2024 and 2023 are presented in other nonoperating expenses in the accompanying consolidated statements of operations.

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SJH maintains a noncontributory, defined benefit pension plan that covers substantially all of its employees who were employed on or before December 31, 2013, at which time the plan was frozen to new entrants. Accrued benefits were also frozen as of that date.

UH has a noncontributory, defined benefit pension plan covering all employees who meet certain eligibility requirements. UH's funding policy is to make the minimum annual contributions that are required by applicable regulations, plus such amounts as WVUHS may determine to be appropriate from time to time. Effective June 23, 2012, UH amended the defined benefit plan to effectively freeze the defined benefit pension plan, whereby no further benefits will be accrued under the plan.

BHA sponsored a defined benefit pension plan covering employees who met certain eligibility requirements as to age and length of service. The defined benefit pension plan provides pension benefits that are based on the employee's compensation during their period of credited service. The defined benefit pension plan was frozen February 1, 2009, therefore, no new plan participants have been permitted since that date. BHA's funding policy is to contribute the minimum annual amount required by applicable regulators, plus additional amounts as WVUHS may determine to be appropriate from time to time.

GRMC has a noncontributory, defined benefit pension plan covering all employees who meet certain eligibility requirements. GRMC's funding policy is to contribute the minimum annual contributions required by applicable regulations, plus such amounts as WVUHS may determine to be appropriate from time to time. Accruals for benefits froze for active participants effective June 30, 2022.

PCH has a noncontributory, defined benefit pension plan covering substantially all employees who meet certain eligibility requirements. PCH's funding policy is to contribute the minimum amount required by applicable regulators, plus such amounts as WVUHS may determine to be appropriate from time to time. Effective, January 1, 2022, PCH elected to freeze the defined benefit plan, whereby no further benefits will be accrued under the plan.

The following table sets forth the consolidated information for the plans noted above related to the change in benefit obligation, the fair value of plan assets and the amounts recognized in the accompanying consolidated balance sheets at December 31, 2024 and 2023 (in thousands):

	<b>2024</b>	<b>2023</b>
Change in projected benefit obligation		
Projected benefit obligation, beginning of year	\$ 244,925	\$ 117,414
Acquisition of PCH	-	118,184
Service cost	559	691
Interest cost	11,416	11,694
Actuarial (gains) losses	(10,192)	13,279
Benefits paid	(16,159)	(16,337)
Projected benefit obligation, end of year	230,549	244,925
Change in plan assets		
Fair value of plan assets, beginning of year	167,879	97,265
Acquisition of PCH	-	65,459
Actual return on plan assets (net of expense)	11,197	18,630
Employer contributions	12,353	2,862
Benefits paid	(16,159)	(16,337)
Fair value of plan assets, end of year	175,270	167,879
Funded status at end of year	\$ (55,279)	\$ (77,046)

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The following table sets forth the components of net periodic pension costs in 2024 and 2023, recognized in the accompanying consolidated statements of operations (in thousands):

	<u>2024</u>	<u>2023</u>
Interest cost	\$ 11,416	\$ 11,694
Service cost	559	691
Expected return on plan assets	(10,481)	(9,741)
Amortization of actuarial loss	<u>140</u>	<u>365</u>
Net periodic pension cost	<u>\$ 1,634</u>	<u>\$ 3,009</u>

A net actuarial gain of \$12,488,000 and \$1,197,000 at December 31, 2024 and 2023, respectively, represents the unrecognized component of net periodic pension cost included in net assets without donor restrictions. Estimated amortization of the net gain of \$140,000 is expected to be recognized in net periodic pension cost in the next fiscal year.

The following assumptions were used to determine benefit obligations at December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Discount rate		
UH plan	5.50%	4.96%
SJH plan	5.50%	4.75%
BHA plan	5.40%	5.05%
GRMC plan	5.50%	5.00%
PCH plan	5.40%	4.73%

The weighted-average assumptions used in the measurement of net periodic benefit cost for the years ended December 31, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Discount rate		
UH plan	4.96%	4.96%
SJH plan	5.50%	4.75%
BHA plan	4.85%	5.05%
GRMC plan	5.00%	5.24%
PCH plan	4.73%	4.73%
Expected long-term return on plan assets		
UH plan	6.00%	6.00%
SJH plan	7.00%	4.00%
BHA plan	5.50%	5.25%
GRMC plan	8.00%	7.00%
PCH plan	6.50%	6.50%

The basis for determining the overall expected long-term rate of return on assets has been based on the assumption that future real returns will approximate historic long-term rates of return experienced for each asset class in the investment policy statement. Based on this analysis, it was determined that the long-term rate of return should be consistently applied.

When determining an appropriate risk tolerance, the System examines the financial ability to accept risk within the investment program and the willingness to accept return volatility. Based on these factors, a range of investment percentages has been established, by asset type, to which the mix of assets should be generally maintained. When necessary, the portfolio will be rebalanced within the target allocations.

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Actual allocation and targeted percentages as of December 31, 2024 and 2023 are as follows:

	<u>Actual Percentage</u>		<u>Targeted Percentage</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	2%	90%	0%	0%
Equity securities	85%	5%	22%	25%
Fixed income securities	13%	5%	78%	75%

The following table summarizes the plans' cash and cash equivalents and Level 1 assets measured at fair value on a recurring basis at December 31, 2024 and 2023 (in thousands):

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 3,820	\$ 152,323
Marketable equity securities	148,599	7,788
Mutual funds, fixed income, and other	<u>22,851</u>	<u>7,768</u>
Total	<u>\$ 175,270</u>	<u>\$ 167,879</u>

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at December 31, 2024 and 2023.

Cash and cash equivalents: The carrying amounts approximate fair value because of the short maturity of these financial instruments.

Marketable equity securities: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds and exchange traded funds: Valued at the quoted net asset value of shares (basis for trade) held by the System at year end.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the System believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following benefit payments are expected to be paid (in thousands):

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2025	\$ 19,359
2026	\$ 17,579
2027	\$ 17,259
2028	\$ 17,279
2029-2033	\$ 100,328



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**Note 11. Net Assets with Donor Restrictions**

Net assets with donor restrictions are restricted for the following purposes at December 31, 2024 and 2023 (in thousands):

	<u>2024</u>	<u>2023</u>
Subject to expenditure for specified purposes		
Pediatric care	\$ 7,169	\$ 6,408
Purchases of property and equipment	1,443	1,290
Various healthcare related activities	5,768	5,151
Other	<u>15,043</u>	<u>11,113</u>
Total subject to expenditure for specified purposes	29,423	23,962
Contributed property restricted from sale	43,394	48,086
Endowment funds – income expendable to support various healthcare services and purchase equipment	8,540	9,248
Perpetual income trusts – income expendable to support charity care and other healthcare services	<u>6,177</u>	<u>5,881</u>
Total net assets with donor restrictions	<u>\$ 87,534</u>	<u>\$ 87,177</u>

**Note 12. Professional and General Liability Coverage**

Effective January 1, 2018, the System formed Augusta Insurance Company, Ltd. (Augusta), a wholly owned captive insurance company incorporated as an exempt company under the Companies Law of the Cayman Islands. Augusta facilitates the structuring of a unified insurance program for the System, while remaining flexible to meet unique needs that may vary across the System. Ongoing operations of Augusta are funded by premiums paid by the System entities. The operations of Augusta are included in the System's accompanying consolidated financial statements.

Augusta provides claims-made general and professional liability coverage to WVUHS and its controlled entities. Augusta accepted loss portfolio transfer of remaining liabilities on pre-2018 reported claims from the prior self-funded programs. Additionally, the System has obtained excess claims made coverage policies with four different third-party commercial insurance companies.

A summary of primary and excess coverage is summarized below:

Augusta Insurance Company, Ltd.	\$12 million per occurrence \$50 million aggregate
Other Third-Party Commercial Excess	\$70 million per occurrence \$70 million aggregate
Total Liability Coverage (including Augusta)	\$82 million per occurrence \$120 million aggregate

Management estimates the provision for malpractice losses using an actuarial reserve analysis prepared by its independent actuaries. The recorded estimated malpractice obligation reflected in the consolidated financial statements discounted using a 3.0% discount rate is \$95,355,000 and \$91,250,000 at December 31, 2024 and 2023, respectively. The undiscounted amount of the reserve is \$106,758,000 and \$97,658,000 at December 31, 2024 and 2023, respectively. The actuarial estimates are based on the historical data of the program blended together with relevant insurance industry loss development statistics. Actuarial estimates

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include claims made and tail liabilities. Management believes that the estimated malpractice reserves are reasonable in all material respects.

Medical malpractice and general liability claims are managed by the System's legal staff. Specialized experts and outside attorneys are utilized when such expertise is considered necessary. The System believes it has adequate insurance coverages and accruals for all asserted claims and it has no knowledge of unasserted claims that would exceed its self-insurance and insurance coverages and accruals. The outcome of certain labor and other related claims not covered by insurance is currently unknown and the potential related liability cannot be estimated, therefore, the System has not recognized a liability for these claims. Because of the extended period over which losses are settled and the general uncertainty surrounding the recorded estimate, the ultimate settlement costs could vary and these differences could be material. The estimate is continually reviewed and, as adjustments to the liability become necessary, the adjustments are reflected in current operations.

UH is a member of the Community Hospital Alternative for Risk Transfer (CHART), a reciprocal risk retention group approved to provide malpractice coverage in Pennsylvania. This group was formed in order to stabilize the cost and availability of malpractice insurance for community hospitals throughout the region by taking advantage of the self-funding capabilities of a large homogenous group and leveraging the group's purchasing power. UH purchases primary and excess medical malpractice insurance under claims-made policies. Based upon UH's claims experience, an accrual has been made for UH's estimated medical malpractice costs (reported and unreported incidents), including costs associated with litigating or settling claims, under its malpractice insurance policy. The recorded estimated malpractice obligation reflected in the consolidated financial statements for UH is \$1,011,000 and \$1,311,000 at December 31, 2024 and 2023, respectively.

GRMC is a shareholder of Freestate, a captive insurance company, that provides insurance coverage on a claims-made basis for professional liability claims and comprehensive general liability of \$2,000,000 for each loss event. Freestate has entered into reinsurance and excess policy agreements with independent insurance companies to limit its losses for professional liability and comprehensive general liability claims. Freestate has \$4,000,000 of additional insurance in the aggregate through such reinsurance arrangements which is applicable to GRMC. Retrospective premium assessments and credits are calculated based on the aggregate experience of all named insureds under the policy. Each named insured's assessment or credit is based on the percentage of their actual exposure to the actual exposure of all named insureds. Each named insured will not be charged or entitled to any retrospective premium assessments or credits until the policy period has been closed and no further claim obligations are expected. If the financial condition of Freestate were to materially deteriorate in the future, and Freestate was unable to pay its claim obligations, the payment of such claims would be the responsibility of the member hospitals. The estimated cost of claims is actuarially determined based upon past experience and discounted using a discount rate of 3.5%. The recorded estimated malpractice obligation reflected in the consolidated financial statements for GRMC is \$447,000 at December 31, 2024 and 2023.

Since the formation of Augusta on January 1, 2018, new hospitals and physician practice acquisitions are evaluated by its independent actuaries for coverage within Augusta.

In management's opinion, the assets of Augusta are sufficient to meet its obligations as of December 31, 2024 and 2023. If the financial condition of Augusta were to materially deteriorate in the future, and Augusta was unable to pay its claim obligations, the responsibility to pay those claims would return to WVUHS and its controlled entities. Additionally, in the event that other third-party commercial general liability companies were unable to meet their obligations under the insurance agreements, the responsibility to pay those claims would return to WVUHS and its controlled entities.

On April 1, 2017, THS purchased claims-made insurance coverage for professional liability up to \$1,000,000 for individual claims and aggregate coverage per year of \$5,000,000. Incidents occurring through December 31, 2024 may result in the assertion of a claim or other claims may be asserted arising from past services provided. THS has estimated the ultimate costs for asserted, unasserted and incurred but not reported claims. The accrued malpractice liability under the plan as of December 31, 2024 and December 31, 2023 was

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\$2,333,000 and \$7,452,000, respectively, and is included in the current and noncurrent portions of accrued malpractice liability. Accrued malpractice liabilities have been discounted at 3% and in management's opinion provide an adequate reserve for loss contingencies.

### **Note 13. Related-Party Transactions**

WVUH has entered into a Joint Operating Agreement (JOA) with West Virginia University Medical Corporation d/b/a University Health Associates (UHA) and the University in order to further integrate their mission and purpose, management, clinical activities and economic and financial activities. WVUH and UHA will function as a single strategic and economic unit while retaining their separate corporate identities. The JOA, as amended, requires an equalization of the operating margin between WVUH and UHA on a three to one basis, respectively. WVUH recorded approximately \$303,655,000 and \$256,287,000 for the periods ending December 31, 2024 and 2023, respectively, associated with these support payments. These amounts have been recorded as physician support in the consolidated statement of operations.

Additionally, the JOA, as amended, requires a transfer of excess funds from WVUH to the University's School of Medicine (SOM). In 2024, \$22,800,000 was transferred to the SOM, with WVUH responsible for funding \$18,300,000 and UHA responsible for funding \$4,500,000. In 2023, \$22,000,000 was transferred to the SOM, with WVUH responsible for funding \$16,500,000 and UHA responsible for funding \$5,500,000. These contributions are included in transfers to the School of Medicine in the accompanying consolidated statements of changes in net assets.

WVUHS and UHA agree to finance the University's resident and intern program and provide clinical teaching subsidies. Total support of \$20,900,000 and \$20,167,000 for the years ended December 31, 2024 and 2023, respectively, with WVUHS responsible for funding \$16,775,000 and \$15,125,000, respectively, and UHA responsible for funding \$4,125,000 and \$5,042,000, respectively, is recorded as operating expenses in the accompanying consolidated statements of operations. WVUH also pays the University for other expenses such as state employee salaries, certain utilities, and rents. Other payments made to the University were \$51,378,000 and \$49,233,000 for the periods ending December 31, 2024 and 2023, respectively, all of which are recorded as operating expense in the accompanying consolidated statements of operations.

WVUHS provides certain information technology services on behalf of UHA, for which approximately \$14,950,000 and \$14,944,000 was recorded for the periods ending December 31, 2024 and 2023, respectively. Approximately \$13,863,000 and \$12,112,000 was recorded for the periods ending December 31, 2024 and 2023, respectively, for other services provided by WVUHS on behalf of UHA. These amounts have been included in other revenues in the accompanying consolidated statements of operations. The total amount payable to UHA is \$3,033,000 at December 31, 2024 and a total amount payable from UHA is \$466,000 at December 31, 2023, and is recorded in other accounts receivable in the accompanying consolidated balance sheets.

UHA provides various medical director services and other medical service support to WVUH, BMC, and JMC. Payments for these services were \$3,506,000 in 2024 and \$3,696,000 in 2023 and the associated expenses are included in physician support and purchased services in the accompanying consolidated statements of operations. The total amount payable to UHA for these services was \$969,000 and \$585,000 at December 31, 2024 and 2023, respectively, and is recorded in accounts payable and accrued expenses in the accompanying consolidated balance sheets.

Effective January 1, 2013, University Healthcare entered into a Mission Support Agreement (MSA) with University Healthcare Physicians (UHP). On January 1, 2023, UHP merged into UHA and the former operations of UHP are operated as UHA East. The MSA ensures UHA East operating losses are funded by University Healthcare on a monthly basis. Break even operations are calculated on a monthly basis for UHA East and any losses are recorded by BMC and JMC as mission support. Total mission support was \$26,621,000 in 2024 and \$30,623,000 in 2023 and is included in physician support in the accompanying consolidated statements of operations. The total

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amount payable from UHP for these support payments was \$804,000 at December 31, 2024 and the total amount payable to UHP was \$615,000 at December 31, 2023, and is recorded in accounts payable and accrued expenses in the accompanying consolidated balance sheets.

WVUH, Charleston Area Medical Center and Cabell Huntington Hospital are members of HealthNet, Inc. (HNET), an aeromedical transport service company. Each member's ownership percentage is 33.33%. HNET is a West Virginia nonprofit corporation, which the Internal Revenue Service has determined is recognized as exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. HNET's members are required to support HNET to the extent that expenses exceed revenues. HNET had total assets of \$42,471,000 and total liabilities of \$42,441,000 and total equity of \$30,000 as of December 31, 2024. Amounts due from HNET were \$15,698,000 at December 31, 2024 and \$15,567,000 at December 31, 2023 and are included in other assets, net in the accompanying consolidated balance sheets. WVUH guaranteed certain capital equipment loans for HNET. The outstanding balance for these equipment loans was approximately \$4,727,000 and \$5,565,000 as of December 31, 2024 and 2023, respectively. The outstanding loan is scheduled to mature in November 2030. WVUH is obligated to pay the amounts due under the loan in the event of a default. There are no known events of default on this loan as of December 31, 2024.

The total amount receivable from affiliated organizations was \$109,315,000 and \$66,663,000 at December 31, 2024 and 2023, respectively, and is recorded in other accounts receivable in the accompanying consolidated balance sheets.

#### **Note 14. Leases**

The System leases certain equipment and office buildings under the terms of non-cancellable operating leases. For leases with terms greater than 12 months, the related right-of-use assets and right-of-use obligations are recorded at the present value of lease payments over the term. Many of the leases include rental escalation clauses and renewal options that are factored into the determination of lease payments when appropriate.

The components of lease expense (and related classification in the accompanying statements of operations) were as follows during 2024 and 2023 (in thousands):

	<u>2024</u>	<u>2023</u>
Operating lease cost (other expense)	\$ 34,341	\$ 31,677
Finance lease cost		
Amortization of right-of use assets (depreciation and amortization)	14,864	13,359
Interest on lease liabilities (interest expense)	5,364	3,769
Sublease income (other operating income)	<u>-</u>	<u>(1,736)</u>
Total lease cost	<u>\$ 54,569</u>	<u>\$ 47,069</u>

Cash paid for amounts included in the measurement of lease liabilities for the years ended December 31 are as follows (in thousands):

	<u>2024</u>	<u>2023</u>
Operating cash flows from operating leases	\$ 33,255	\$ 23,776
Operating cash flows from finance leases	5,140	4,281
Financing cash flows from finance leases	<u>14,614</u>	<u>11,414</u>
Total	<u>\$ 53,009</u>	<u>\$ 39,471</u>

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Right-of-use assets obtained in exchange for new lease obligations for the years ended December 31 are as follows (in thousands):

	<u>2024</u>	<u>2023</u>
Right-of-use assets obtained in exchange for new finance lease liabilities	\$ 32,997	\$ 48,381
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 23,315	\$ 26,465

The following table presents lease-related assets and liabilities at December 31, 2024 and 2023 (in thousands):

	<u>2024</u>	<u>2023</u>
Operating leases		
Right-of-use operating lease assets	\$ 48,937	\$ 43,743
Current operating lease liabilities	\$ 12,455	\$ 14,018
Noncurrent operating lease liabilities	<u>36,445</u>	<u>29,061</u>
Total operating lease liabilities	<u>\$ 48,900</u>	<u>\$ 43,079</u>

Current operating lease liabilities are included in accounts payable, accrued expenses, and other in the accompanying consolidated balance sheets. Noncurrent operating lease liabilities are included in right-of-use operating lease obligations in the accompanying consolidated balance sheets.

The following table presents lease-related assets and liabilities at December 31, 2024 and 2023 (in thousands):

	<u>2024</u>	<u>2023</u>
Finance leases		
Property and equipment, net	\$ 109,676	\$ 94,357
Current finance lease liabilities	\$ 19,423	\$ 12,509
Noncurrent finance lease liabilities	<u>101,553</u>	<u>92,154</u>
Total finance lease liabilities	<u>\$ 120,976</u>	<u>\$ 104,663</u>

Current finance lease liabilities are included in current maturities of long-term debt in the accompanying consolidated balance sheets. Noncurrent finance lease liabilities are included in long-term debt, net, in the accompanying consolidated balance sheets.

	<u>2024</u>	<u>2023</u>
Other information		
Weighted-average remaining lease term – operating leases	5.3 years	4.9 years
Weighted-average remaining lease term – finance leases	6.4 years	7.4 years
Weighted-average discount rate – operating leases	7.24%	4.87%
Weighted-average discount rate – finance leases	5.39%	5.23%

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The following is a schedule of lease liability maturities related to leases with third-parties for the years ending (in thousands):

	<u>Operating</u>	<u>Finance</u>
2025	\$ 12,891	\$ 18,743
2026	10,209	16,305
2027	7,841	12,290
2028	5,923	8,450
2029	3,947	6,095
Thereafter	<u>4,609</u>	<u>23,331</u>
Total	45,420	85,214
Interest	<u>(5,468)</u>	<u>(14,234)</u>
Lease liability	<u>\$ 39,952</u>	<u>\$ 70,980</u>

The following is a schedule of lease liability maturities related to leases with affiliates for the years ending (in thousands):

	<u>Operating</u>	<u>Finance</u>
2025	\$ 2,268	\$ 2,946
2026	1,993	2,846
2027	1,719	2,741
2028	1,439	432
2029	1,131	318
Thereafter	<u>4,938</u>	<u>105,274</u>
Total	13,488	114,557
Interest	<u>(4,540)</u>	<u>(64,561)</u>
Lease liability	<u>\$ 8,948</u>	<u>\$ 49,996</u>

## **Note 15. Commitments and Contingencies**

### ***Workers' Compensation Claims Coverage***

The System maintains insurance policies with a stated per occurrence deductible and a stated deductible aggregate for workers' compensation claims. The policies provide statutory workers' compensation limits of liability. The System was required to establish loss funds and provide letters of credit to secure the deductible obligations. The letters of credit total approximately \$6,892,000 and \$5,392,000 and at December 31, 2024 and 2023, respectively, and are automatically renewed by the issuing bank every July 1 unless notified 90 days prior to the renewal date.

### ***Asbestos***

Certain facilities owned by the System, which were constructed prior to the passage of the Clean Air Act, contain encapsulated asbestos material. Current law requires that this asbestos be removed in an environmentally safe fashion prior to the demolition and renovation of these buildings. The fair value of the liability for such asbestos removal cannot be reasonably estimated at this time. Management does not believe that remediation of such items will have a material effect on the consolidated financial statements.

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***Disproportionate Share Hospital State Plan***

The State of West Virginia Disproportionate Share Hospital (DSH) State Plan was amended to provide for a settlement process among participating hospitals. The State is completing a final settlement and redistribution process. The redistribution based on the latest audit results has not yet occurred. The Bureau for Medical Services of the State of West Virginia Department of Health and Human Resources has contracted with a third-party vendor to assist with the audit settlement process for DSH. The laws and regulations governing the DSH settlement process are complex, involving a wide range of data from all participating hospitals and subject to interpretation. Accordingly, the System is not able to estimate the possible loss or gain that could arise upon completion of the DSH settlement process. The results of the resolution of the settlement process could materially impact the System's future results of operations or cash flows in a particular period.

***Healthcare Industry***

The healthcare industry is subject to numerous laws and regulations of federal, state and local governments. Compliance with these laws and regulations is subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time. Government activity continues to increase with respect to investigations and allegations concerning possible violations by healthcare providers of fraud and abuse statutes and regulations, which could result in the imposition of significant fines and penalties as well as significant repayments for patient services previously billed. Management is not aware of any material incidents of noncompliance that have not been provided for in the accompanying consolidated financial statements; however, the possible future financial effects of this matter on the System, if any, are not presently determinable.

The System receives a significant amount of its revenue from governmental programs. The receipt of future revenues by the System is subject to, among other factors, ongoing federal and state funding policies for Medicare, Medicaid, and programs like 340b drug savings, being evaluated to reduce costs. The impact of such potential changes are currently unknown, but could have a significant impact on the future operations of the System.

**Note 16. Liquidity and Availability**

As of December 31, 2024 and 2023, the System has a working capital of approximately \$961,589,000 and \$967,115,000, respectively, and average days (based on normal expenditures) cash and board designated investments on hand of 133 days and 122 days, respectively.

Financial assets available for general expenditure within one year of the consolidated balance sheet date consist of the following at December 31 (in thousands):

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 835,733	\$ 595,830
Patients accounts receivable	755,447	755,792
Other accounts receivables	125,813	102,096
Assets whose use is limited, current	<u>32,670</u>	<u>27,768</u>
Total	<u>\$ 1,749,663</u>	<u>\$ 1,481,486</u>

In addition to the assets in the table above, the System has other assets whose use is limited for specified purposes and because they are not available for general expenditure within one year are not reflected in the amounts above. The System does, however, have certain long-term assets whose use is limited by board designation and could be made available for general expenditure within one year, if necessary.

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Additionally, the System has \$185,000,000 in revolving lines of credit (Note 7). As of December 31, 2024, approximately \$118,725,000 remained available on the System's lines of credit for use in the normal course of operations if needed.

**Note 17. Functional Expenses**

The System provides general health care and related services to individuals within its geographic region. Expenses related to providing these services for the years ended December 31, 2024 and 2023 are as follows (in thousands):

	<b>2024</b>			
	<b>Healthcare Services</b>	<b>General and Administrative</b>	<b>Fundraising</b>	<b>Total</b>
Salaries and wages	\$ 1,840,014	\$ 488,777	\$ 85	\$ 2,328,876
Employee benefits	550,838	161,025	11	711,874
Supplies and purchased services	1,536,191	279	-	1,536,470
Physician support	527,065	8,790	-	535,855
Professional fees	196,513	155,852	18	352,383
Maintenance and repairs	20,090	143,692	-	163,782
Licenses and taxes	126,523	58,230	6	184,759
Depreciation and amortization	152,016	101,426	-	253,442
Interest	55,470	25,807	-	81,277
Other	250,901	183,921	817	435,639
Total	<u>\$ 5,255,621</u>	<u>\$ 1,327,799</u>	<u>\$ 937</u>	<u>\$ 6,584,357</u>

	<b>2023</b>			
	<b>Healthcare Services</b>	<b>General and Administrative</b>	<b>Fundraising</b>	<b>Total</b>
Salaries and wages	\$ 1,644,096	\$ 412,159	\$ 70	\$ 2,056,325
Employee benefits	472,726	136,695	8	609,429
Supplies and purchased services	1,311,342	31,630	-	1,342,972
Physician support	442,825	11,409	-	454,234
Professional fees	245,758	170,162	31	415,951
Maintenance and repairs	17,764	128,480	-	146,244
Licenses and taxes	118,744	36,949	-	155,693
Depreciation and amortization	144,807	88,319	-	233,126
Interest	52,060	23,352	-	75,412
Other	233,146	168,381	1,450	402,977
Total	<u>\$ 4,683,268</u>	<u>\$ 1,207,536</u>	<u>\$ 1,559</u>	<u>\$ 5,892,363</u>

The accompanying consolidated financial statements report certain expense categories that are attributable to more than one health care service or support function. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function, including depreciation and amortization, interest and other occupancy costs, are allocated to a function based on location of the respective assets.



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**Note 18. Business Combinations**

***Grant Memorial Hospital***

Effective July 1, 2023, WVUHS became the sole member of GMH, a critical access hospital located in Petersburg, West Virginia.

The following table summarizes the fair value of the assets acquired and the liabilities assumed as of the date of acquisition (in thousands):

Assets	
Cash and cash equivalents	\$ 4,469
Patient receivables	5,593
Inventories of supplies	1,313
Prepaid expenses and other current assets	257
Property and equipment, net	10,114
Investments and assets limited as to use	<u>7,809</u>
Total assets	<u>\$ 29,555</u>
Liabilities	
Current maturities of long-term debt	\$ 492
Accounts payable and accrued expenses	4,092
Estimated third-party payor settlements	6,493
Long-term debt, net	<u>4,169</u>
Total liabilities	<u>\$ 15,246</u>
Net assets without donor restrictions	<u>\$ 14,309</u>
Net assets acquired over liabilities assumed	<u>\$ 14,309</u>

The results of operations for GMH are included in the consolidated schedule of operations and changes in net assets beginning July 1, 2023. For the period July 1, 2023 through December 31, 2023, GMH had total operating revenues of \$27,967,000, operating income of \$973,000, and excess of revenues over expenses of \$15,834,000, inclusive of an inherent contribution of \$14,309,000. Additionally, for the period July 1, 2023 through December 31, 2023, GMH recognized an increase in net assets without donor restriction of \$12,312,000.

***Ohio Valley Health Corporation***

On May 12, 2023, Ohio Valley Health Corporation, a WVUHS subsidiary, executed an asset purchase agreement in which Ohio Valley Health Corporation purchased the real and personal property of Ohio Valley Nursing Home, Inc. for consideration of \$12,000,000.

The following table summarizes the fair value of the assets acquired as of the date of acquisition (in thousands):

Assets	
Property and equipment, net	\$ 8,890
Other assets, net	<u>3,110</u>
Total assets	<u>\$ 12,000</u>

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***Princeton Community Hospital***

Effective January 1, 2023, WVUHS became the sole member of PCH and PCHF.

The following table summarizes the fair value of the assets acquired and the liabilities assumed as of the date of acquisition (in thousands):

<b>Assets</b>	
Cash and cash equivalents	\$ 8,369
Current portion of assets limited as to use	20,804
Patient receivables	23,913
Other receivables	1,047
Estimated third-party payor settlements	4,436
Prepaid expenses and other current assets	8,342
Property and equipment, net	57,491
Assets limited as to use	34,178
Other assets, net	<u>7,531</u>
<b>Total assets</b>	<b>\$ <u>166,111</u></b>
<b>Liabilities</b>	
Current maturities of long-term debt	\$ 1,875
Accounts payable and accrued expenses	25,484
Long-term debt, net	30,613
Pension liability	52,725
Malpractice	<u>10,895</u>
<b>Total liabilities</b>	<b>\$ <u>121,592</u></b>
Net assets without donor restrictions	\$ 42,817
Net assets with donor restrictions	<u>1,702</u>
<b>Net assets acquired over liabilities assumed</b>	<b>\$ <u>44,519</u></b>

The results of operations for PCH and PCHF are included in the consolidated schedule of operations and changes in net assets beginning January 1, 2023. For the year ended December 31, 2023, PCH and PCHF had total operating revenues of \$267,433,000, an operating loss of \$8,481,000, and revenues in excess of expenses of \$36,044,000, inclusive of an inherent contribution of \$42,817,000. Additionally, for the year ended December 31, 2023, PCH and PCHF recognized an increase in net assets without donor restrictions of \$21,059,000 and an increase in net assets with donor restrictions of \$1,702,000.

***Thomas Health System***

Effective January 1, 2023, WVUHS became the sole member of THS which includes TH – a 241-bed acute care hospital in South Charleston, West Virginia, THSPP – a corporation formed to employ physicians working for THS, SFH – a 123-bed acute care hospital as well as a 29-bed skilled nursing unit in Charleston, West Virginia, and TMHS – a corporation that provides services including the sales and rental of communications equipment and other services. There was no consideration provided for the assets acquired and liabilities assumed.

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The following table summarizes the fair value of the assets acquired and the liabilities assumed as of the date of acquisition (in thousands):

<b>Assets</b>	
Cash and cash equivalents	\$ 1,389
Current portion of assets whose use is limited	17,994
Patient receivables	37,030
Other receivables	8,383
Inventories of supplies	9,221
Prepaid expenses and other current assets	11,856
Property and equipment, net	103,412
Investments	8,243
Other assets, net	502
<b>Total assets</b>	<b>\$ 198,030</b>
<b>Liabilities</b>	
Current maturities of long-term debt	\$ 5,099
Accounts payable and accrued expenses	36,023
Long-term debt, net	74,596
Malpractice	5,975
<b>Total liabilities</b>	<b>\$ 121,693</b>
Net assets without donor restrictions	\$ 74,346
Net assets with donor restrictions	1,991
<b>Net assets acquired over liabilities assumed</b>	<b>\$ 76,337</b>

The results of operations for THS, TH, THSPP, SFH, and TMHS are included in the consolidated schedule of operations and changes in net assets beginning January 1, 2023. For the year ended December 31, 2023, these entities had total operating revenues of \$398,273,000, operating loss of \$9,175,000, and revenue in excess of expenses of \$61,456,000, inclusive of an inherent contribution of \$74,346,000. Additionally, for the year ended December 31, 2023, these entities recognized an increase in net assets without donor restriction of \$61,391,000 and an increase of \$2,031,000 in net assets with donor restrictions.

## **Note 19. COVID-19 Pandemic Funding**

On March 27, 2020, the federal Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law, which is intended to provide economic relief and emergency assistance for individuals, families and businesses affected by COVID-19. Various state governments took action to provide economic relief and emergency assistance. HHS has issued Post-Payment Notices of Reporting Requirements (PPNRR) and frequently asked questions and answers (FAQs) which establish the reporting criteria for providers who received Provider Relief Fund (PRF) funding under the CARES Act. The PPNRR and FAQs also provide guidance related to the determination of lost revenues and COVID-19 related expenses under the terms and conditions of the PRF funding received by the System.

The System recognized other operating revenue of \$7,114,000 related to PRF funding for the year ended December 31, 2023, to the extent the conditions for entitlement to such funding for healthcare related expenses or lost revenues to prevent, prepare for or respond to COVID-19, have been met, resulting in the simultaneous release of restrictions. As of December 31, 2023, all funds received have been recognized as revenue. The funds are also subject to future audits and potential adjustment and certain amounts may need to be repaid to the government.

**Note 20. Subsequent Event**

Effective January 1, 2025, WVUHS became the sole member of Weirton Medical Center, Inc. (WMC), a not-for-profit acute care hospital located in Weirton, West Virginia. WMC is the sole member of WMC Physician Practices, LLC (WPP), a single member limited liability company organized to employ physicians working for WMC. WVUHS became the indirect parent or the controlling affiliate of WPP following this transaction. There was no consideration provided for the assets acquired and liabilities assumed. As part of the acquisition, WVUHS has committed to fund \$500k/year to the WMC Foundation for the next 20 years. Additionally, WVUHS guaranteed certain debt obligations of WMC of approximately \$59,874,000.

## ***Consolidating Supplementary Information***

	OBLIGATED GROUP																	NON-OBLIGATED GROUP									
	West Virginia University Hospital	United Hospital Center	Camden Clark Medical Center	Berkeley Medical Center	Jefferson Medical Center	University Healthcare Foundation	West Virginia University Health System	St. Joseph's Hospital	Potomac Valley Hospital	Reynolds Memorial Hospital	Summersville Regional Memorial Hospital	Braxton County Memorial Hospital	Jackson General Hospital	Wetzel County Hospital	Uniontown Hospital	Barnesville Hospital	Eliminations	Total Obligated Group	Wheeling	Garrett Regional Medical Center	Thomas Hospitals	Saint Francis Hospital	Princeton Community Hospital	Augusta	Other Non-Obligated Group	Eliminations	Total Consolidated
ASSETS																											
Current Assets																											
Cash and cash equivalents	\$ 168,796	\$ 244,447	\$ 11,142	\$ 16,740	\$ 22,175	\$ 230	\$ 62,346	\$ 19,460	\$ 15,145	\$ 5,399	\$ 15,321	\$ 8,908	\$ 16,372	\$ 2,848	\$ 9,422	\$ 440	\$ -	\$ 619,191	\$ 28,637	\$ 26,975	\$ 18,076	\$ -	\$ 19,761	\$ 13,860	\$ 109,233	\$ -	\$ 835,733
Current portion of assets whose use is limited	8,296	2,196	970	1,068	-	-	15,831	-	-	-	-	-	-	-	-	-	-	28,361	12,059	-	-	-	-	24,671	-	(32,421)	32,670
Accounts receivable:																											
Patients	251,663	61,778	60,444	46,740	13,017	-	(4,357)	12,909	12,532	21,532	10,921	3,367	7,891	4,819	21,236	3,461	-	527,953	71,792	11,245	64,553	-	40,706	-	39,198	-	755,447
Other	55,911	4,532	3,226	2,768	115	89	18,193	366	908	2,266	374	273	188	96	406	213	-	89,924	3,862	606	6,623	-	2,115	411	23,664	(1,392)	125,813
Affiliates	8,472	18,203	12,423	2,589	978	90	83,272	158	58	2,435	165	3	23	61	1,144	1,136	(81,135)	50,075	4,846	3,467	39,032	-	129	-	(39,572)	(57,977)	-
Inventories of supplies	42,397	9,592	8,183	6,371	1,186	-	2,109	2,478	1,168	2,103	1,759	547	309	392	3,726	195	-	82,515	5,078	1,748	10,675	-	5,569	-	2,588	-	108,173
Estimated third-party payor settlements	4,794	14,090	11,440	6,000	-	-	-	-	-	2,339	-	-	-	1,485	76	140	-	40,453	10,397	-	8,798	-	10,443	-	7,436	-	77,527
Prepaid expenses and other current assets	4,063	1,289	843	2,041	3,710	22	38,838	185	1,995	826	964	495	542	130	(261)	416	-	56,198	8,347	267	2,610	-	5,288	-	14,828	-	87,538
Total current assets	544,382	356,136	108,771	84,407	41,181	431	216,232	35,556	31,806	36,900	29,504	13,593	25,325	9,831	35,749	6,001	(81,135)	1,494,670	145,018	44,308	150,367	-	84,011	38,942	157,375	(91,790)	2,022,901
Assets Whose Use is Limited																											
Board-designated funds																											
Funded depreciation	641,525	605,824	24,192	29,532	61,046	9,707	18,117	65,043	2,059	346	-	-	-	-	18,789	-	-	1,476,180	29,542	-	-	-	368	-	16,610	-	1,522,700
Strategic initiatives	30,145	-	-	-	-	-	6,181	-	-	-	-	-	-	-	-	-	-	36,326	-	-	-	-	-	-	-	-	36,326
Under trust indenture, held by trustee	160,307	-	-	-	-	-	-	-	-	-	-	-	3,801	-	-	-	-	164,108	-	-	-	-	-	-	-	-	164,108
Malpractice investments	22,383	14,103	12,237	9,954	-	-	25,865	-	-	-	-	-	-	-	-	-	-	84,542	16,426	-	-	-	941	92,310	-	(99,556)	94,663
Foundation investments	-	-	-	-	-	-	-	-	-	7,814	-	-	-	-	-	-	-	7,814	2,102	-	-	-	-	-	3,201	-	13,117
Noncurrent portion of assets whose use is limited	854,360	619,927	36,429	39,486	61,046	9,707	50,163	65,043	2,059	8,160	-	-	3,801	-	18,789	-	-	1,768,970	48,070	-	-	-	1,309	92,310	19,811	(99,556)	1,830,914
Property and Equipment, Net	959,000	296,790	126,000	96,422	15,287	26,886	151,894	17,478	23,767	48,546	12,968	6,052	43,374	13,095	45,219	5,007	-	1,887,785	75,287	23,809	176,221	-	63,981	-	124,427	-	2,351,510
Restricted Assets Held by Third-Parties	13,874	-	-	-	6,177	10	-	-	-	-	-	-	-	56	-	-	-	20,117	-	116	-	-	-	-	-	-	20,233
Right-of-Use Operating Lease Asset	10,808	3,501	2,801	1,509	-	-	5,230	151	3,017	1,474	283	82	87	891	176	157	-	30,167	7,381	-	1,768	-	1,564	-	8,057	-	48,937
Due From Affiliates	-	-	-	-	-	-	40,006	-	-	-	-	-	-	-	-	-	(25,603)	14,403	-	-	-	-	1,910	-	(1,976)	(14,337)	-
Other Investments	6,906	7,459	3,522	77	333	-	-	-	-	-	-	-	-	-	-	-	-	18,297	-	-	-	-	-	-	-	-	18,297
Prepaid Expenses and Other Assets, Net	39,119	1,613	1,253	4,306	13	923	34,119	7,073	2,981	620	8,610	245	900	1,166	11,511	5,417	-	119,869	15,226	11,145	852	-	1,056	-	35,935	3,400	187,483
Total assets	\$ 2,428,449	\$ 1,285,426	\$ 278,776	\$ 226,207	\$ 124,037	\$ 37,957	\$ 497,644	\$ 125,301	\$ 63,630	\$ 95,700	\$ 51,365	\$ 19,972	\$ 73,487	\$ 25,039	\$ 111,444	\$ 16,582	\$ (106,738)	\$ 5,354,278	\$ 290,982	\$ 79,378	\$ 329,208	\$ -	\$ 153,831	\$ 131,252	\$ 343,629	\$ (202,283)	\$ 6,480,275

	OBLIGATED GROUP																	NON-OBLIGATED GROUP										
	West Virginia Hospital	United Hospital Center	Camden Clark Medical Center	Berkeley Medical Center	Jefferson Medical Center	University Healthcare Foundation	West Virginia University Health System	St. Joseph's Hospital	Potomac Valley Hospital	Reynolds Memorial Hospital	Summersville Regional Memorial Hospital	Braxton County Memorial Hospital	Jackson General Hospital	Wetzel County Hospital	Uniontown Hospital	Barnesville Hospital	Eliminations	Total Obligated Group	Wheeling	Garrett Regional Medical Center	Thomas Hospitals	Saint Francis Hospital	Princeton Community Hospital	Augusta	Other Non-Obligated Group	Eliminations	Total Consolidated	
LIABILITIES AND NET ASSETS																												
Current Liabilities																												
Line of credit	\$ 4,572	\$ -	\$ 2,819	\$ -	\$ -	\$ -	\$ 21,323	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,367	\$ 17,241	\$ -	\$ -	\$ 48,822	\$ 8,718	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,735	\$ -	\$ 66,275	
Current maturities of long-term debt	12,468	6,447	7,917	3,204	636	457	1,063	1,088	990	2,487	1,626	945	691	894	4,419	247	-	45,579	3,915	880	149,249	-	3,037	-	5,239	-	207,899	
Accounts payable, accrued expenses and other	122,798	26,009	33,836	22,437	2,605	145	81,255	3,788	4,564	4,177	5,474	717	1,494	2,315	8,174	364	-	320,152	36,445	4,468	30,743	-	12,469	4,373	65,256	(1,392)	472,514	
Due to affiliates	17,605	2,856	10,791	4,868	2,203	43	1,036	1,452	1,736	11,717	834	621	701	1,208	6,549	1,145	(44,738)	20,627	6,438	836	1,090	-	3,793	-	18,246	(51,030)	-	
Estimated third-party payor settlements	-	-	-	-	5,183	-	-	9,572	2,370	-	12,525	700	4,770	-	-	-	-	35,120	-	-	-	-	-	-	-	5,834	40,954	
Salaries and benefits payable	53,099	23,669	12,631	7,698	1,386	71	34,795	4,156	1,878	5,553	3,070	926	1,937	1,125	6,725	916	-	159,635	18,400	2,990	9,695	-	9,037	-	43,554	-	243,311	
Accrued interest payable	3,744	719	478	82	5	3	220	17	43	-	-	-	133	-	-	-	-	5,444	-	-	-	-	243	-	-	-	5,687	
Current portion of malpractice costs	8,296	2,196	970	1,068	-	-	15,831	-	-	-	-	-	-	-	-	-	-	28,361	1,707	-	620	-	-	-	24,671	27	(30,714)	
Total current liabilities	222,582	61,896	69,442	39,357	12,018	719	155,523	20,073	11,581	25,434	23,529	3,909	9,726	6,909	43,108	2,672	(44,738)	663,740	75,623	9,174	191,397	-	28,579	29,044	146,891	(83,136)	1,061,312	
Long-Term Debt, Net	1,078,237	162,533	196,711	27,026	5,247	4,980	97,407	5,467	16,242	4,374	8,917	1,073	35,949	1,499	33,847	3,433	-	1,682,942	75,977	10,029	81,367	-	57,259	-	53,396	-	1,960,970	
Malpractice Costs	11,722	7,162	6,697	3,187	-	-	40,810	-	-	-	-	-	-	-	1,011	-	-	70,589	5,314	447	1,713	-	-	74,474	273	(78,336)	74,474	
Right-of-Use Operating Lease Obligations	8,733	2,665	1,939	1,098	-	-	4,504	115	2,855	1,140	158	-	7	733	103	93	-	24,143	5,938	-	1,199	-	239	-	4,926	-	36,445	
Derivative Financial Instruments	1,288	3,827	2,385	-	-	-	-	-	-	-	-	-	-	-	1,133	-	-	8,633	-	-	-	-	-	-	-	-	8,633	
Due To Affiliates	-	-	8,967	-	-	-	9,250	-	-	16,636	-	-	-	1,665	23,879	1,603	(62,000)	-	6,013	-	(108,813)	-	-	-	-	126,950	(24,150)	-
Pension Liability	-	-	-	-	-	-	-	-	-	-	-	-	-	(681)	2,733	1,283	-	3,335	-	6,823	-	-	45,121	-	-	-	55,279	
Other Liabilities	3,019	574	464	-	-	53	8,801	112	-	125	-	-	-	2,486	2,572	28	-	18,234	1,445	577	61	-	-	-	16,612	-	36,929	
Total liabilities	1,325,581	238,657	286,605	70,668	17,265	5,752	316,295	25,767	30,678	47,709	32,604	4,982	45,682	12,611	108,386	9,112	(106,738)	2,471,616	170,310	27,050	166,924	-	131,198	103,518	349,048	(185,622)	3,234,042	
Net Assets (Deficit)																												
Net assets without donor restrictions																												
Controlling interest	1,088,226	1,046,769	(10,731)	155,539	100,568	31,371	181,349	99,274	32,872	38,507	19,861	14,620	27,967	12,428	2,804	6,683	-	2,848,107	116,862	51,170	162,284	-	22,633	27,734	(55,230)	(16,661)	3,156,899	
Noncontrolling interest	-	-	2,902	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,902	-	-	-	-	-	-	(11,102)	-	1,800
Net assets (deficit) without donor re	1,088,226	1,046,769	(7,829)	155,539	100,568	31,371	181,349	99,274	32,872	38,507	19,861	14,620	27,967	12,428	2,804	6,683	-	2,851,009	116,862	51,170	162,284	-	22,633	27,734	(66,332)	(16,661)	3,158,699	
Net assets with donor restrictions																												
Controlling interest	14,642	-	-	-	6,204	834	-	260	80	9,484	(1,100)	370	(162)	-	254	787	-	31,653	3,810	1,158	-	-	-	-	29,217	-	65,838	
Noncontrolling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21,696	-	
Net assets with donor restrictions	14,642	-	-	-	6,204	834	-	260	80	9,484	(1,100)	370	(162)	-	254	787	-	31,653	3,810	1,158	-	-	-	-	50,913	-	87,534	
Total net assets (deficit)	1,102,868	1,046,769	(7,829)	155,539	106,772	32,205	181,349	99,534	32,952	47,991	18,761	14,990	27,805	12,428	3,058	7,470	-	2,882,662	120,672	52,328	162,284	-	22,633	27,734	(5,419)	(16,661)	3,246,233	
Total liabilities and net assets	\$ 2,428,449	\$ 1,285,426	\$ 278,776	\$ 226,207	\$ 124,037	\$ 37,957	\$ 497,644	\$ 125,301	\$ 63,630	\$ 95,700	\$ 51,365	\$ 19,972	\$ 73,487	\$ 25,039	\$ 111,444	\$ 16,582	\$ (106,738)	\$ 5,354,278	\$ 290,982	\$ 79,378	\$ 329,208	\$ -	\$ 153,831	\$ 131,252	\$ 343,629	\$ (202,283)	\$ 6,480,275	

West Virginia University Health System and Controlled Entities  
Consolidating Schedule of Operations  
Year Ended December 31, 2024  
(in thousands)

	OBLIGATED GROUP																	NON-OBLIGATED GROUP									
	West Virginia University Hospital	United Hospital Center	Camden Clark Medical Center	Berkeley Medical Center	Jefferson Medical Center	University Healthcare Foundation	West Virginia University Health System	St. Joseph's Hospital	Potomac Valley Hospital	Reynolds Memorial Hospital	Summersville Regional Medical Hospital	Braxton County Memorial Hospital	Jackson General Hospital	Wetzel County Hospital	Uniontown Hospital	Barnesville Hospital	Eliminations	Total Obligated Group	Wheeling	Garrett Regional Medical Center	Thomas Hospitals	Saint Francis Hospital	Princeton Community Hospital	Augusta	Other Non-Obligated Group	Eliminations	Total Consolidated
Operating Revenues																											
Net patient service revenues	\$ 1,851,732	\$ 639,212	\$ 451,017	\$ 378,903	\$ 91,319	\$ -	\$ -	\$ 113,947	\$ 86,214	\$ 149,897	\$ 72,575	\$ 26,858	\$ 52,586	\$ 42,808	\$ 185,320	\$ 24,495	\$ (5,171)	\$ 4,161,712	\$ 555,377	\$ 80,723	\$ 372,175	\$ 27,613	\$ 299,477	\$ -	\$ 351,114	\$ (812)	\$ 5,847,379
Retail pharmacy revenues	462,786	60,307	11,247	14,608	593	-	-	6,951	2,188	8,975	8,536	2,702	1,644	-	4,604	1,354	-	586,495	30,575	254	32,714	-	2,706	-	1,275	18,610	672,629
Other revenues	62,469	8,600	35,014	9,038	472	3,564	516,627	1,004	1,766	2,621	699	254	593	359	2,109	1,043	(360,308)	285,915	10,406	1,166	4,992	293	3,153	29,339	243,985	(335,095)	244,154
Total operating revenues	2,376,987	708,119	497,278	402,549	92,384	3,564	516,627	121,902	90,168	161,493	81,801	29,814	54,823	43,167	192,033	26,892	(365,479)	5,034,122	596,358	82,143	409,881	27,906	305,336	29,339	596,374	(317,297)	6,764,162
Operating Expenses																											
Salaries and wages	562,726	186,774	120,657	94,921	20,897	1,031	223,808	35,872	29,242	58,964	29,410	9,707	21,009	18,040	59,755	10,378	1,211	1,484,402	191,390	25,066	109,623	4,914	94,973	-	418,841	(333)	2,328,876
Employee benefits	189,265	54,157	46,894	31,636	7,115	395	83,816	13,465	9,935	17,687	9,717	3,463	6,483	5,851	18,679	4,069	387	503,014	62,317	10,269	31,096	437	31,227	-	84,238	(10,724)	711,874
Supplies	737,841	153,026	101,314	74,187	8,115	-	295	23,600	16,071	26,469	14,328	2,988	5,569	4,795	36,169	2,075	-	1,206,842	163,282	12,994	103,377	8,247	49,551	-	30,661	(38,484)	1,536,470
Physician support	287,153	46,322	62,514	60,065	16,294	-	6,502	5,152	5,890	6,067	4,928	1,358	824	30,891	2,370	(893)	535,157	60,902	925	13,362	737	44,025	-	12,791	(132,064)	535,855	
Professional fees and purchased services	68,131	32,765	28,887	40,313	14,128	15	45,212	6,186	6,938	7,393	2,912	1,692	2,798	2,089	12,140	1,565	(21,000)	252,164	36,463	4,741	36,357	920	19,796	-	36,314	(34,372)	352,383
Maintenance and repairs	12,907	2,538	2,830	3,486	676	321	120,375	611	286	1,161	277	95	103	421	1,566	109	(20)	147,742	2,440	1,001	6,937	324	950	-	4,821	(433)	163,782
Licenses and taxes	51,547	28,079	19,490	15,227	2,509	66	8,339	2,909	1,961	5,961	1,760	614	1,197	1,546	209	746	(37)	142,123	13,396	57	15,252	925	11,154	-	1,852	-	184,759
Depreciation and amortization	90,931	26,055	17,707	11,204	3,123	1,162	38,347	3,523	2,421	4,725	1,634	841	2,493	926	5,017	593	-	210,702	8,527	2,624	9,666	505	10,715	-	10,703	-	253,442
Interest	34,335	6,024	10,758	1,088	265	333	1,150	272	532	2,013	601	71	1,169	310	1,753	198	(125)	60,747	4,308	395	6,295	-	3,397	-	6,135	-	81,277
Other	281,338	78,447	69,167	48,316	13,052	821	32,235	14,925	11,267	20,265	11,463	5,480	9,963	5,867	25,786	3,873	(345,002)	287,243	33,148	8,245	41,123	1,092	36,252	37,334	110,022	(118,820)	435,639
Total operating expenses	2,316,174	614,187	480,208	380,443	86,174	4,144	553,577	107,865	83,795	150,528	78,189	29,579	52,142	40,669	191,965	25,976	(365,479)	4,830,136	576,173	66,317	373,108	18,101	302,040	37,334	716,378	(335,230)	6,584,357
Operating income (loss)	60,813	93,932	17,070	22,106	6,210	(580)	(36,950)	14,037	6,373	10,965	3,612	235	2,681	2,498	68	916	-	203,986	20,185	15,826	36,773	9,805	3,296	(7,995)	(120,004)	17,933	179,805
Nonoperating Income (Loss)																											
Investment income, net	56,257	51,526	3,634	3,367	4,686	1,039	6,623	4,682	289	734	396	173	591	199	2,237	-	-	136,433	6,599	1,734	419	-	2,073	10,745	5,129	(10,600)	152,532
Change in fair value of derivative financial instruments, net	725	2,206	1,288	133	19	-	-	-	-	-	-	-	-	-	646	-	-	5,017	-	-	-	-	-	-	-	-	5,017
Loss on refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(743)	-	-	-	-	-	-	-	(743)
Other, net	4,996	(26)	(2)	693	(76)	-	1	(33)	1	-	1	-	(3)	-	(153)	(197)	-	5,202	230	809	23	-	(1,785)	-	451	-	4,930
Total nonoperating income (loss)	61,978	53,706	4,920	4,193	4,629	1,039	6,624	4,649	290	734	397	173	588	199	2,730	(197)	-	146,652	6,086	2,543	442	-	288	10,745	5,580	(10,600)	161,736
Revenues in excess of (less than) expenses	122,791	147,638	21,990	26,299	10,839	459	(30,326)	18,686	6,663	11,699	4,009	408	3,269	2,697	2,798	719	-	350,638	26,271	18,369	37,215	9,805	3,584	2,750	(114,424)	7,333	341,541
Change in noncontrolling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,716	-	2,716
Revenues in excess of (less than) expenses attributable to controlling interest	122,791	147,638	21,990	26,299	10,839	459	(30,326)	18,686	6,663	11,699	4,009	408	3,269	2,697	2,798	719	-	350,638	26,271	18,369	37,215	9,805	3,584	2,750	(111,708)	7,333	344,257
Pension Liability Adjustment	-	-	-	-	-	-	-	1,192	-	-	-	-	-	-	2,166	443	-	3,801	-	555	-	-	6,939	-	-	-	11,295
Transfers to the School of Medicine	(20,778)	(855)	(665)	(536)	(136)	-	-	(149)	(78)	(152)	(126)	(82)	(142)	(55)	(307)	(45)	-	(24,106)	(573)	(58)	(370)	-	(313)	-	1,403	-	(24,017)
Contributions for and Grants of Long-Lived Assets	738	42	-	-	-	-	-	-	-	-	-	-	863	-	-	-	-	1,643	-	-	-	-	-	-	13,000	-	14,643
Net Assets Released From Restriction for Long-Lived Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,692	-	4,692
Other	-	-	-	-	-	-	559	-	-	-	-	-	-	-	6	(337)	-	228	-	-	-	-	-	-	(6,538)	-	(6,310)
Net Asset Contribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(217,200)	(121,403)	-	-	338,603	-	-
Transfers (To) From Affiliates	(16,507)	(4,914)	(3,857)	(2,919)	(867)	-	57,014	(1,001)	(894)	(1,448)	(930)	(464)	(907)	(583)	(2,788)	(435)	-	18,500	(2,709)	(12,840)	(21,787)	-	(3,259)	-	22,095	-	-
Change in Net Assets Without Donor Restrictions	\$ 86,244	\$ 141,911	\$ 17,468	\$ 22,844	\$ 9,836	\$ 459	\$ 27,247	\$ 18,728	\$ 5,691	\$ 10,099	\$ 2,953	\$ (138)	\$ 3,083	\$ 2,059	\$ 1,875	\$ 345	\$ -	\$ 350,704	\$ 22,989	\$ 6,026	\$ (202,142)	\$ (111,598)	\$ 6,951	\$ 2,750	\$ 261,547	\$ 7,333	\$ 344,560



West Virginia University Health System and Controlled Entities  
Consolidating Schedule of Changes in Net Assets  
Year Ended December 31, 2024  
(in thousands)

	OBLIGATED GROUP																	NON-OBLIGATED GROUP										
	West Virginia University Hospital	United Hospital Center	Camden Clark Medical Center	Berkeley Medical Center	Jefferson Medical Center	University Healthcare Foundation	West Virginia University Health System	St. Joseph's Hospital	Potomac Valley Hospital	Reynolds Memorial Hospital	Summersville Regional Memorial Hospital	Braxton County Memorial Hospital	Jackson General Hospital	Wetzel County Hospital	Uniontown Hospital	Barnesville Hospital	Eliminations	Total Obligated Group	Wheeling	Garrett Regional Medical Center	Thomas Hospitals	Saint Francis Hospital	Princeton Community Hospital	Augusta	Other Non-Obligated Group	Eliminations	Total Consolidated	
Changes in Net Assets Without Donor Restrictions																												
Revenues in excess of (less than) expenses	\$ 122,791	\$ 147,638	\$ 21,990	\$ 26,299	\$ 10,839	\$ 459	\$ (30,326)	\$ 18,686	\$ 6,663	\$ 11,699	\$ 4,009	\$ 408	\$ 3,269	\$ 2,697	\$ 2,798	\$ 719	\$ -	\$ 350,638	\$ 26,271	\$ 18,369	\$ 37,215	\$ 9,805	\$ 3,584	\$ 2,750	\$ (111,708)	\$ 7,333	\$ 344,257	
Pension liability adjustment	-	-	-	-	-	-	-	1,192	-	-	-	-	-	-	2,166	443	-	3,801	-	555	-	-	6,939	-	-	-	11,295	
Transfers to the School of Medicine and strategic initiatives	(20,778)	(855)	(665)	(536)	(136)	-	-	(149)	(78)	(152)	(126)	(82)	(142)	(55)	(307)	(45)	-	(24,106)	(573)	(58)	(370)	-	(313)	-	1,403	-	(24,017)	
Contributions and grants for/for long-lived assets	738	42	-	-	-	-	-	-	-	-	-	-	863	-	-	-	-	1,643	-	-	-	-	-	-	13,000	-	14,643	
Net assets released from restrictions for long-lived assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,692	4,692	
Net asset contribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(217,200)	(121,403)	-	-	338,603	-	-	
Other	-	-	-	-	-	-	559	-	-	-	-	-	-	-	6	(337)	-	228	-	-	-	-	-	-	-	(6,538)	-	(6,310)
Transfers (to) from affiliates	(16,507)	(4,914)	(3,857)	(2,919)	(867)	-	57,014	(1,001)	(894)	(1,448)	(930)	(464)	(907)	(583)	(2,788)	(435)	-	18,500	(2,709)	(12,840)	(21,787)	-	(3,259)	-	22,095	-	-	
Change in net assets without donor restrictions, controlling interest	86,244	141,911	17,468	22,844	9,836	459	27,247	18,728	5,691	10,099	2,953	(138)	3,083	2,059	1,875	345	-	350,704	22,989	6,026	(202,142)	(111,598)	6,951	2,750	261,547	7,333	344,560	
Change in Net Assets Without Donor Restrictions, Noncontrolling Interest																												
Revenues less than expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,716)	-	(2,716)	
Noncontrolling interest net asset contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,250	-	2,250	
Change in net assets without donor restrictions, noncontrolling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(466)	-	(466)	
Changes in Net Assets With Donor Restrictions																												
Increase in restricted assets held by WVU Foundation	1,701	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,701	-	-	-	-	-	-	-	-	1,701	
Contributions and grants	256	-	-	(65)	28	44	-	-	12	3,524	-	-	-	-	28	-	-	3,827	644	262	-	-	-	-	(1,472)	-	3,261	
Change in restricted assets held by affiliated foundation	-	-	-	-	283	-	-	-	-	-	-	-	-	-	-	-	-	283	-	-	-	-	-	-	-	-	283	
Net assets released from restrictions, noncontrolling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,346)	-	(2,346)	
Net assets released from restrictions for long-lived assets and operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(196)	-	-	-	-	-	(2,346)	-	(2,542)	
Change in net assets with donor restrictions	1,957	-	-	(65)	311	44	-	-	12	3,524	-	-	-	-	28	-	-	5,811	448	262	-	-	-	-	(6,164)	-	357	
Change in net assets	88,201	141,911	17,468	22,779	10,147	503	27,247	18,728	5,703	13,623	2,953	(138)	3,083	2,059	1,903	345	-	356,515	23,437	6,288	(202,142)	(111,598)	6,951	2,750	254,917	7,333	344,451	
Net Assets (Deficit), Beginning	1,014,667	904,858	(25,297)	132,760	96,625	31,702	154,102	80,806	27,249	34,368	15,808	15,128	24,722	10,369	1,155	7,125	-	2,526,147	97,235	46,040	364,426	111,598	15,682	24,984	(260,336)	(23,994)	2,901,782	
Net Assets (Deficit), Ending	\$ 1,102,868	\$ 1,046,769	\$ (7,829)	\$ 155,539	\$ 106,772	\$ 32,205	\$ 181,349	\$ 99,534	\$ 32,952	\$ 47,991	\$ 18,761	\$ 14,990	\$ 27,805	\$ 12,428	\$ 3,058	\$ 7,470	\$ -	\$ 2,882,662	\$ 120,672	\$ 52,328	\$ 162,284	\$ -	\$ 22,633	\$ 27,734	\$ (5,419)	\$ (16,661)	\$ 3,246,233	

	OBLIGATED GROUP																	NON-OBLIGATED GROUP										
	West Virginia University Hospital	United Hospital Center	Camden Clark Medical Center	Berkeley Medical Center	Jefferson Medical Center	University Healthcare Foundation	West Virginia University Health System	St. Joseph's Hospital	Potomac Valley Hospital	Reynolds Memorial Hospital	Summersville Regional Memorial Hospital	Braxton County Memorial Hospital	Jackson General Hospital	Wetzel County Hospital	Uniontown Hospital	Barnesville Hospital	Eliminations	Total Obligated Group	Wheeling	Garrett Regional Medical Center	Thomas Hospitals	Saint Francis Hospital	Princeton Community Hospital	Augusta	Other Non-Obligated Group	Eliminations	Total Consolidated	
ASSETS																												
Current Assets																												
Cash and cash equivalents	\$ 63,658	\$ 196,651	\$ 7,937	\$ 20,182	\$ 13,971	\$ 343	\$ 24,382	\$ 20,436	\$ 15,300	\$ 4,649	\$ 13,029	\$ 9,817	\$ 17,481	\$ 4,338	\$ 2,315	\$ 475	\$ -	\$ 414,964	\$ 21,182	\$ 23,103	\$ 475	\$ 317	\$ 37,284	\$ 12,381	\$ 86,124	\$ -	\$ 595,830	
Current portion of assets whose use is limited	8,872	2,196	1,184	1,068	-	-	741	-	-	-	-	-	-	-	-	-	-	14,061	14,062	-	-	-	-	24,671	-	(25,026)	27,768	
Accounts receivable:																												
Patients	268,924	59,016	59,008	47,011	13,484	-	(3,625)	14,506	12,112	18,486	8,052	2,776	5,167	4,631	19,383	3,675	-	532,606	66,852	14,551	47,197	6,489	40,523	-	47,574	-	755,792	
Other	43,159	2,032	(1,799)	5,244	697	49	5,861	503	714	1,604	251	162	497	(2)	374	256	-	59,602	6,649	1,119	5,556	334	763	276	29,138	(1,341)	102,096	
Affiliates	27,476	15,317	9,846	1,003	264	104	94,467	388	784	4,023	275	72	244	349	3,365	389	(86,328)	72,038	2,515	4,179	-	-	1	-	(2,044)	(76,689)	-	
Inventories of supplies	41,441	9,452	7,471	5,439	1,260	-	1,158	2,563	890	2,124	1,577	-	468	416	448	3,227	206	-	78,140	4,580	1,990	8,151	2,359	5,156	-	3,522	-	103,898
Estimated third-party payor settlements	35,206	11,113	18,937	13,081	-	-	-	-	-	3,037	-	-	-	-	1,319	150	-	82,843	5,936	-	9,339	2,137	11,878	-	4,916	-	117,049	
Prepaid expenses and other current assets	4,430	1,714	2,111	1,654	4,689	18	32,114	210	902	775	1,170	-	562	436	132	528	277	-	51,722	7,519	241	676	107	4,412	-	6,972	(4,619)	67,030
Total current assets	493,166	297,491	104,695	94,682	34,365	514	155,098	38,606	30,702	34,698	24,354	13,857	24,241	9,896	30,511	5,428	(86,328)	1,305,976	129,295	45,183	71,394	11,743	100,017	37,328	176,202	(107,675)	1,769,463	
Assets Whose Use is Limited																												
Board-designated funds																												
Funded depreciation	585,414	542,289	20,444	27,416	56,671	14,715	11,501	48,218	-	331	-	-	-	-	19,091	-	-	1,326,090	6,035	-	-	-	673	-	16,167	-	1,348,965	
Strategic initiatives	30,613	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	30,613	-	-	-	-	-	-	-	-	30,613	
Under trust indenture, held by trustee	235,490	-	-	-	-	-	-	-	-	-	-	-	16,051	-	-	-	-	251,541	30,256	-	-	-	-	-	-	-	281,797	
Malpractice self-insurance, investments	19,005	13,677	14,248	8,426	-	-	34,228	-	-	-	-	-	-	-	-	-	-	89,584	10,486	-	-	-	1,220	82,367	-	(95,794)	87,663	
Foundation investments	-	-	-	-	-	-	-	-	-	6,918	-	-	-	-	-	-	-	6,918	1,935	-	-	-	-	-	2,949	-	11,802	
Noncurrent portion of assets whose u	870,522	555,966	34,692	35,842	56,671	14,715	45,729	48,218	-	7,249	-	-	16,051	-	19,091	-	-	1,704,746	48,712	-	-	-	1,893	82,367	19,116	(95,794)	1,761,040	
Property and Equipment, Net	885,504	287,655	124,207	71,982	16,609	21,823	141,674	16,441	21,928	40,499	12,468	6,247	31,160	12,842	40,256	4,558	-	1,735,853	71,907	21,057	90,235	30,057	55,444	-	131,352	-	2,135,905	
Restricted Assets Held by Third-Parties	12,667	-	-	-	5,842	10	-	-	-	-	-	-	-	40	-	-	-	18,559	-	156	-	-	-	-	-	-	18,715	
Right-of-Use Operating Lease Asset	5,668	2,828	4,032	1,879	91	-	2,624	265	3,577	1,815	322	161	159	600	-	219	-	24,240	4,821	-	1,032	362	2,561	-	10,727	-	43,743	
Due From Affiliates	-	-	-	-	-	-	42,205	-	-	-	-	-	-	-	-	-	(42,703)	(498)	-	-	-	-	2,408	-	(1,976)	66	-	
Other Investments	6,373	6,884	3,251	71	308	-	-	-	-	-	-	-	-	-	-	-	-	16,887	-	-	-	-	-	-	-	-	16,887	
Prepaid Expenses and Other Assets, Net	38,443	1,072	578	1,911	(169)	880	36,771	7,509	3,450	(140)	2,020	280	1,055	1,226	10,637	5,505	-	111,028	16,776	10,008	1,041	-	1,031	-	38,056	(15,887)	162,053	
Total assets	\$ 2,312,343	\$ 1,151,896	\$ 271,455	\$ 206,367	\$ 113,717	\$ 37,942	\$ 424,101	\$ 111,039	\$ 59,657	\$ 84,121	\$ 39,164	\$ 20,545	\$ 72,666	\$ 24,604	\$ 100,495	\$ 15,710	\$ (129,031)	\$ 4,916,791	\$ 271,511	\$ 76,404	\$ 163,702	\$ 42,162	\$ 163,354	\$ 119,695	\$ 373,477	\$ (219,290)	\$ 5,907,806	

	OBLIGATED GROUP																	NON-OBLIGATED GROUP										
	West Virginia University Hospital	United Hospital Center	Camden Clark Medical Center	Berkeley Medical Center	Jefferson Medical Center	University Healthcare Foundation	West Virginia University Health System	St. Joseph's Hospital	Potomac Valley Hospital	Reynolds Memorial Hospital	Summersville Regional Memorial Hospital	Braxton County Memorial Hospital	Jackson General Hospital	Wetzel County Hospital	Uniontown Hospital	Barnesville Hospital	Eliminations	Total Obligated Group	Garrett Regional Medical Center	Thomas Hospitals	Saint Francis Hospital	Princeton Community Hospital	Augusta	Other Non-Obligated Group	Eliminations	Total Consolidated		
LIABILITIES AND NET ASSETS																												
Current Liabilities																												
Line of credit	\$ -	\$ -	\$ -	\$ 3,573	\$ 775	\$ -	\$ 7,916	\$ -	\$ -	\$ 3,821	\$ -	\$ -	\$ -	\$ 1,540	\$ -	\$ -	\$ -	\$ 17,625	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,729	\$ -	\$ 54,354	
Current maturities of long-term debt	10,886	6,159	6,404	3,321	609	352	970	806	982	2,724	857	824	683	816	4,451	195	-	\$ 41,039	8,592	879	2,448	-	685	-	5,331	-	58,974	
Accounts payable, accrued expenses and other	111,974	21,884	37,855	21,465	3,237	114	64,094	4,341	4,362	4,516	6,029	981	3,322	2,121	7,671	629	-	294,595	19,513	4,650	10,549	2,538	17,168	3,901	80,047	(7,529)	425,432	
Due to affiliates	6,402	11,185	12,702	5,397	1,898	110	2,388	2,126	1,087	6,955	1,231	823	1,322	1,822	6,341	701	(52,688)	9,802	25,881	1,649	-	-	2,913	-	26,986	(67,231)	-	
Estimated third-party payor settlements	-	-	-	-	4,041	-	-	12,359	3,913	-	2,373	157	4,146	(108)	-	-	-	26,881	-	-	-	-	-	-	-	6,753	-	33,634
Salaries and benefits payable	49,620	20,216	11,251	6,579	1,347	63	27,305	3,716	1,517	4,963	2,658	765	1,456	1,037	6,643	766	-	139,902	16,402	2,472	1,479	313	7,416	-	30,494	-	198,478	
Accrued interest payable	3,931	792	399	119	3	-	220	21	45	-	-	-	-	133	-	-	-	5,663	-	-	-	-	293	-	-	-	5,956	
Current portion of malpractice costs	8,872	2,196	1,184	1,068	-	-	741	-	-	-	-	-	-	-	-	-	-	14,061	5,470	-	-	-	-	-	24,671	874	(19,556)	25,520
Total current liabilities	191,685	62,432	73,368	38,724	11,135	639	103,634	23,369	11,906	22,979	13,148	3,550	11,062	7,228	25,106	2,291	(52,688)	549,568	75,658	9,650	14,476	2,851	28,475	28,572	187,214	(94,316)	802,348	
Long-Term Debt, Net	1,088,769	169,731	196,561	30,219	5,928	5,542	98,450	5,779	17,226	3,994	9,998	1,785	36,820	2,090	38,264	4,161	-	1,715,317	79,680	10,902	9,915	-	58,206	-	115,244	-	1,989,264	
Malpractice Costs	9,011	7,077	8,216	3,066	-	-	41,984	-	-	-	-	-	-	-	1,311	-	-	70,665	5,475	447	-	-	-	66,139	7,115	(74,901)	74,940	
Right-of-Use Operating Lease Obligations	3,102	1,510	3,205	1,392	-	-	2,063	158	3,276	1,424	210	82	62	471	-	159	-	17,114	3,619	-	369	179	489	-	7,291	-	29,061	
Derivative Financial Instruments	2,013	6,033	3,674	206	29	-	-	-	-	-	-	-	-	-	1,779	-	-	13,734	-	-	-	-	-	-	-	-	13,734	
Due to Affiliates	-	-	11,354	-	-	-	16,192	-	21,356	-	-	-	-	2,641	24,241	142	(76,343)	(417)	8,325	-	(225,484)	(72,466)	-	-	316,121	(26,079)	-	
Pension Liability	-	-	-	-	-	-	-	829	-	-	-	-	-	(681)	5,809	1,832	-	7,789	-	8,755	-	-	60,502	-	-	-	77,046	
Other Liabilities	3,096	255	374	-	-	59	7,676	98	-	-	-	-	-	2,486	2,830	-	-	16,874	1,319	610	-	-	-	-	828	-	19,631	
Total liabilities	1,297,676	247,038	296,752	73,607	17,092	6,240	269,999	30,233	32,408	49,753	23,356	5,417	47,944	14,235	99,340	8,585	(129,031)	2,390,644	174,276	30,364	(200,724)	(69,436)	147,672	94,711	633,813	(195,296)	3,006,024	
Net Assets (Deficit)																												
Net assets without donor restrictions																												
Controlling interest	1,001,982	904,858	(28,199)	132,695	90,732	30,912	154,102	80,546	27,181	28,408	16,908	14,758	24,884	10,369	929	6,338	-	2,497,403	93,873	45,144	364,426	111,598	15,682	24,984	(316,777)	(23,994)	2,812,339	
Noncontrolling interest	-	-	2,902	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,902	-	-	-	-	-	-	-	(636)	-	2,266
Net assets without donor restrictions	1,001,982	904,858	(25,297)	132,695	90,732	30,912	154,102	80,546	27,181	28,408	16,908	14,758	24,884	10,369	929	6,338	-	2,500,305	93,873	45,144	364,426	111,598	15,682	24,984	(317,413)	(23,994)	2,814,605	
Net assets with donor restrictions																												
Controlling interest	12,685	-	-	65	5,893	790	-	260	68	5,960	(1,100)	370	(162)	-	226	787	-	25,842	3,362	896	-	-	-	-	33,035	-	63,135	
Noncontrolling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24,042	-	24,042
Net assets with donor restrictions	12,685	-	-	65	5,893	790	-	260	68	5,960	(1,100)	370	(162)	-	226	787	-	25,842	3,362	896	-	-	-	-	57,077	-	87,177	
Total net assets	1,014,667	904,858	(25,297)	132,760	96,625	31,702	154,102	80,806	27,249	34,368	15,808	15,128	24,722	10,369	1,155	7,125	-	2,526,147	97,235	46,040	364,426	111,598	15,682	24,984	(260,336)	(23,994)	2,901,782	
Total liabilities and net assets	\$ 2,312,343	\$ 1,151,896	\$ 271,455	\$ 206,367	\$ 113,717	\$ 37,942	\$ 424,101	\$ 111,039	\$ 59,657	\$ 84,121	\$ 39,164	\$ 20,545	\$ 72,666	\$ 24,604	\$ 100,495	\$ 15,710	\$ (129,031)	\$ 4,916,791	\$ 271,511	\$ 76,404	\$ 163,702	\$ 42,162	\$ 163,354	\$ 119,695	\$ 373,477	\$ (219,290)	\$ 5,907,806	

West Virginia University Health System and Controlled Entities  
Consolidating Schedule of Operations  
Year Ended December 31, 2023  
(in thousands)

	OBLIGATED GROUP																	NON-OBLIGATED GROUP										Total Consolidated
	West Virginia University Hospital	United Hospital Center	Camden Clark Medical Center	Berkeley Medical Center	Jefferson Medical Center	University Healthcare Foundation	West Virginia University Health System	St. Joseph's Hospital	Potomac Valley Hospital	Reynolds Memorial Hospital	Summersville Regional Memorial Hospital	Braxton County Memorial Hospital	Jackson General Hospital	Wetzel County Hospital	Uniontown Hospital	Barnesville Hospital	Eliminations	Total Obligated Group	Wheeling	Garrett Regional Medical Center	Thomas Hospitals	Saint Francis Hospital	Princeton Community Hospital	Augusta	Other Non-Obligated	Eliminations		
Operating Revenues																												
Net patient service revenues	1,756,827	551,709	410,948	337,083	89,639	-	-	106,859	76,315	132,615	57,562	24,282	47,502	36,525	148,802	22,097	244	\$ 3,799,009	471,417	75,853	267,339	55,304	263,177	-	288,652	-	\$ 5,220,751	
CARES Act funding	11	-	1,505	4,609	-	-	-	-	-	-	(117)	27	-	-	1,079	-	-	7,114	-	-	-	-	-	-	-	-	7,114	
Retail pharmacy revenues	242,028	48,187	11,820	13,330	141	-	-	5,770	1,638	7,821	5,845	2,627	1,640	-	2,693	835	-	344,375	25,791	1	16,766	-	397	-	149,055	10,223	546,600	
Other revenues	40,656	8,876	23,749	5,379	454	3,597	447,091	1,795	1,578	2,958	846	460	698	933	1,749	1,358	(318,370)	223,837	9,946	2,152	13,438	1,530	2,129	33,316	204,423	(255,821)	234,950	
Total operating revenues	2,039,522	608,772	448,022	360,401	90,234	3,597	447,091	114,424	79,531	143,404	64,136	27,416	49,840	37,458	154,323	24,290	(318,126)	4,374,335	507,154	78,006	297,543	56,834	265,703	33,316	642,130	(245,598)	6,009,423	
Operating Expenses																												
Salaries and wages	508,847	170,123	106,229	80,222	19,754	991	201,231	33,263	26,061	57,411	27,192	8,661	20,031	16,293	50,921	9,464	1,184	1,337,878	191,693	23,955	61,356	13,400	86,520	-	341,973	(450)	2,056,325	
Employee benefits	171,144	46,098	40,053	25,453	6,092	341	88,266	11,407	8,274	16,234	8,623	3,034	5,590	4,825	16,105	3,525	255	437,319	54,523	6,161	14	1	26,972	-	91,477	(7,056)	609,429	
Supplies	513,629	130,958	90,309	69,305	8,393	1	198	19,867	12,819	22,730	11,162	2,713	4,629	3,580	29,514	2,166	2	921,975	140,659	11,085	73,080	13,979	44,088	-	169,367	(31,261)	1,342,971	
Physician support	247,644	34,453	54,593	51,110	15,253	-	-	5,151	4,465	598	4,220	3,838	35	296	22,140	-	(853)	442,943	18,844	913	10,790	1,970	33,953	-	35,241	(90,420)	454,234	
Professional fees and purchased services	119,686	31,500	37,448	45,703	13,250	121	47,391	6,161	4,471	8,295	3,249	1,298	2,177	2,643	12,855	2,969	(8,979)	330,338	34,506	3,609	24,790	2,627	23,924	-	47,623	(51,666)	415,951	
Maintenance and repairs	10,613	2,361	2,036	1,513	553	170	103,337	598	473	1,430	276	89	734	163	1,454	342	(48)	126,095	3,908	1,810	3,270	942	2,109	-	8,346	(236)	146,244	
Licenses and taxes	45,365	20,280	16,326	12,958	2,366	46	7,471	3,018	1,990	4,480	1,339	648	1,027	852	(35)	706	(310)	118,527	13,220	121	7,764	1,868	9,122	-	5,085	(34)	155,693	
Depreciation and amortization	89,516	23,770	16,702	10,547	2,758	1,075	28,838	3,206	2,253	4,202	1,467	783	1,248	1,149	5,258	394	-	193,166	9,914	2,959	6,534	1,479	9,914	-	9,288	-	233,126	
Interest	33,747	6,299	10,375	1,277	279	336	1,831	269	965	1,625	607	96	198	232	1,808	170	(42)	59,972	4,608	409	535	-	2,850	-	7,507	(367)	75,412	
Other	262,689	69,378	63,068	44,478	12,035	934	26,379	13,609	10,044	19,801	10,517	5,062	8,910	4,893	25,264	3,623	(309,440)	271,242	33,407	6,800	8,885	3,001	34,599	46,303	71,390	(72,650)	402,977	
Total operating expenses	2,002,880	537,220	437,337	342,567	80,733	4,015	484,942	96,549	71,415	136,806	68,652	26,222	44,579	34,926	165,284	23,359	(318,131)	4,239,355	505,152	57,842	197,038	39,267	274,051	46,303	787,497	(254,142)	5,892,363	
Operating income (loss)	36,642	71,552	10,685	17,834	9,501	(418)	(37,851)	17,875	8,116	6,598	(4,516)	1,194	5,261	2,532	(10,961)	931	5	134,980	2,002	20,164	100,505	17,567	(8,348)	(12,987)	(145,367)	8,544	117,060	
Nonoperating Income (Loss)																												
Investment income	37,022	33,380	797	2,851	3,227	830	4,915	2,997	103	874	112	33	556	21	2,199	-	-	89,917	8,741	1,874	290	4	3,641	11,560	3,654	(11,416)	108,265	
Inherent contribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	253,635	94,086	40,188	-	(266,437)	-	131,472	
Change in fair value of derivative financial instruments	287	470	645	34	5	-	-	-	-	-	-	-	-	-	173	-	-	1,614	-	-	-	-	-	-	-	-	1,614	
Loss on refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,162)	-	(5,162)
Other, net	129	48	(111)	(152)	-	(14)	46	(241)	6	-	-	-	-	-	(9)	(557)	(221)	(5)	(1,081)	(155)	(62)	2	-	(2,261)	-	357	(3,200)	
Total nonoperating income	37,438	33,898	1,331	2,733	3,232	816	4,961	2,756	109	874	112	33	556	12	1,815	(221)	(5)	90,450	8,586	1,812	263,927	94,090	41,568	11,560	(267,588)	(11,416)	232,989	
Revenues in excess of (less than) expense	74,080	105,450	12,016	20,567	12,733	398	(32,890)	20,631	8,225	7,472	(4,404)	1,227	5,817	2,544	(9,146)	710	-	225,430	10,588	21,976	364,432	111,657	33,220	(1,427)	(412,955)	(2,872)	350,049	
Change in noncontrolling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,089	3,089	
Revenues in excess of expenses attributable to controlling interest	74,080	105,450	12,016	20,567	12,733	398	(32,890)	20,631	8,225	7,472	(4,404)	1,227	5,817	2,544	(9,146)	710	-	225,430	10,588	21,976	364,432	111,657	33,220	(1,427)	(409,866)	(2,872)	353,138	
Pension Liability Adjustment	-	-	-	-	-	-	1,046	-	-	-	-	-	-	-	1,674	60	-	2,780	-	387	-	-	(5,845)	-	-	-	(2,678)	
Transfers to the School of Medicine and Strategic Initiatives	(18,686)	(753)	(586)	(472)	(120)	-	-	(131)	(69)	(134)	(110)	(72)	(126)	(48)	(271)	(40)	-	(21,618)	(505)	(35)	-	-	-	-	(159)	-	(22,317)	
Contributions and Grants for Long-Lived Assets	1,002	-	-	-	-	-	189	-	-	-	-	-	-	-	-	-	-	1,191	-	-	-	-	-	-	1,891	-	3,082	
Net Assets Released From Restriction for Long-Lived Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,691	-	4,691	
Other	-	-	-	-	1	-	(107)	-	-	-	-	-	-	-	-	333	-	227	-	(5,692)	-	-	-	-	1,040	-	(4,425)	
Transfers (To) From Affiliates	(32,766)	(11,002)	(8,198)	(6,481)	(1,906)	-	79,179	(1,900)	(1,077)	(2,113)	(1,314)	(703)	(1,080)	(516)	(1,670)	(81)	-	8,372	(3,245)	(1,144)	(6)	(99)	(11,693)	53	19,648	(11,926)	-	
Change in Net Assets Without Donor Restrictions	\$ 23,630	\$ 93,695	\$ 3,232	\$ 13,614	\$ 10,707	\$ 399	\$ 46,289	\$ 19,728	\$ 7,079	\$ 5,225	\$ (5,828)	\$ 452	\$ 4,611	\$ 1,980	\$ (9,413)	\$ 982	\$ -	\$ 216,382	\$ 6,838	\$ 15,492	\$ 364,426	\$ 111,598	\$ 15,682	\$ (1,374)	\$ (382,755)	\$ (14,798)	\$ 331,491	

West Virginia University Health System and Controlled Entities  
Consolidating Schedule of Changes in Net Assets  
Year Ended December 31, 2023  
(in thousands)

	OBLIGATED GROUP																		NON-OBLIGATED GROUP								Total Consolidated	
	West Virginia Hospital	United Hospital Center	Camden Clark Medical Center	Berkeley Medical Center	Jefferson Medical Center	University Healthcare Foundation	West Virginia University Health System	St. Joseph's Hospital	Potomac Valley Hospital	Reynolds Memorial Hospital	Summersville Regional Hospital	Braxton County Memorial Hospital	Jackson General Hospital	Wetzel County Hospital	Uniontown Hospital	Barnesville Hospital	Eliminations	Total Obligated Group	Wheeling	Garrett Regional Medical Center	Thomas Hospitals	Saint Francis Hospital	Princeton Community Hospital	Augusta	Other Non-Obligated Group	Eliminations		
Changes in Net Assets Without Donor Restrictions																												
Revenues in excess of (less than) expenses	\$ 74,080	\$ 105,450	\$ 12,016	\$ 20,567	\$ 12,733	\$ 398	\$ (32,890)	\$ 20,631	\$ 8,225	\$ 7,472	\$ (4,404)	\$ 1,227	\$ 5,817	\$ 2,544	\$ (9,146)	\$ 710	\$ -	\$ 225,430	\$ 10,588	\$ 21,976	\$ 364,432	\$ 111,657	\$ 33,220	\$ (1,427)	\$ (409,866)	\$ (2,872)	\$ 353,138	
Pension liability adjustment	-	-	-	-	-	-	-	1,046	-	-	-	-	-	-	1,674	60	-	2,780	-	387	-	-	(5,845)	-	-	-	(2,678)	
Transfers to the School of Medicine and strategic initiatives	(18,686)	(753)	(586)	(472)	(120)	-	-	(131)	(69)	(134)	(110)	(72)	(126)	(48)	(271)	(40)	-	(21,618)	(505)	(35)	-	-	-	-	(159)	-	(22,317)	
Contributions and grants for long-lived assets	1,002	-	-	-	-	-	-	189	-	-	-	-	-	-	-	-	-	1,191	-	-	-	-	-	-	-	3,082		
Net assets released from restrictions for long-lived assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,691		
Other	-	-	-	-	-	1	-	(107)	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,692)	-	-	-	1,040		
Transfers (to) from affiliates	(32,796)	(11,002)	(8,198)	(6,481)	(1,906)	-	79,179	(1,900)	(1,077)	(2,113)	(1,314)	(703)	(1,080)	(516)	(1,670)	333	-	227	(3,245)	(1,144)	(6)	(59)	(11,693)	53	15,648	(11,926)	(4,425)	
Change in net assets without donor restrictions, controlling interest	23,630	93,695	3,232	13,614	10,707	399	46,289	19,728	7,079	5,225	(5,828)	452	4,611	1,980	(9,413)	982	-	216,382	6,838	15,492	364,426	111,598	15,682	(1,374)	(382,755)	(14,798)	331,491	
Change in Net Assets Without Donor Restrictions, Noncontrolling Interest																												
Revenues in excess of (less than) expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,089)	-	(3,089)	
Noncontrolling interest net asset contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,250	2,250	
Change in net assets without donor restrictions, noncontrolling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(839)	-	(839)	
Changes in Net Assets With Donor Restrictions																												
Increase in restricted assets held by WVU Foundation	4,495	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,495	-	-	-	-	-	-	-	-	4,495	
Contributions and grants	48	-	-	65	-	(105)	-	-	51	4,044	-	-	-	-	28	-	-	4,131	2,250	38	-	-	-	-	(127)	-	6,292	
Restricted assets held by affiliated foundation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,693	3,693	
Change in restricted assets held by affiliated foundation	-	-	-	-	478	-	-	-	-	-	-	-	-	-	-	-	-	478	-	-	-	-	-	-	-	-	478	
Net assets released from restrictions, noncontrolling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,346)	-	(2,346)	
Net assets released from restrictions for long-lived assets and opera	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(114)	-	-	-	-	-	-	(2,345)	(2,459)	
Change in net assets with donor restrictions	4,543	-	-	65	478	(105)	-	-	51	4,044	-	-	-	-	28	-	-	9,104	2,136	38	-	-	-	-	(1,125)	-	10,153	
Change in net assets	28,173	93,695	3,232	13,679	11,185	294	46,289	19,728	7,130	9,269	(5,828)	452	4,611	1,980	(9,385)	982	-	225,486	8,974	15,530	364,426	111,598	15,682	(1,374)	(384,719)	(14,798)	340,805	
Net Assets (Deficit), Beginning	986,494	811,163	(28,529)	119,081	85,440	31,408	107,813	61,078	20,119	25,099	21,636	14,676	20,111	8,389	10,540	6,143	-	2,300,661	88,261	30,510	-	-	-	-	26,358	124,383	(9,196)	2,560,977
Net Assets (Deficit), Ending	\$ 1,014,667	\$ 904,858	\$ (25,297)	\$ 132,760	\$ 96,625	\$ 31,702	\$ 154,102	\$ 80,806	\$ 27,249	\$ 34,368	\$ 15,808	\$ 15,128	\$ 24,722	\$ 10,369	\$ 1,155	\$ 7,125	\$ -	\$ 2,526,147	\$ 97,235	\$ 46,040	\$ 364,426	\$ 111,598	\$ 15,682	\$ 24,984	\$ (260,336)	\$ (23,994)	\$ 2,901,782	

ASSETS	Non-Obligated Consolidated		University HealthCare	CCPC	OVASC	CCF	AHS	UPC	UHF	USCHM	AHS GPO	AHS L	SJHF	WVUHSNC	SMG	AHSOME	HCH	PEAK	PHC	PEPS	GAS	WVUC	RECOVERY	OVHC	PCHF	THSP	TMHS	THS	BCHS	GMH	PHS	SPGC	
	Eliminations																																
Current Assets																																	
Cash and cash equivalents	\$ 109,233	\$ -	\$ 1,240	\$ 759	\$ 143	\$ 1,101	\$ 5,274	\$ 6,638	\$ 394	\$ 433	\$ 29,032	\$ 1,130	\$ 462	\$ 1,134	\$ 34,269	\$ 1,080	\$ 3,151	\$ 4,686	\$ 3,214	\$ 265	\$ 514	\$ 665	\$ 878	\$ 4,332	\$ 3,906	\$ -	\$ -	\$ -	\$ 1,102	\$ 3,171	\$ -	\$ 260	
Accounts receivable	39,198	-	-	9,088	175	-	99	3,981	-	607	-	-	-	4,989	2,746	1,569	2,155	-	(4)	337	-	-	-	-	(1,735)	-	6,208	-	-	809	7,565	-	609
Patents, net	23,664	-	71	297	-	3	(69)	56	76	406	4,672	4	-	575	39	(88)	28	244	14,458	-	-	159	1,842	11	45	589	57	-	1	166	2	20	
Other	(39,572)	(97,280)	875	47	-	-	257	13	-	-	1,092	1,425	-	9	50,444	60	1,335	1,261	-	11	-	16	11	-	-	107	63	-	-	-	682	-	
Affiliates	(39,572)	(97,280)	875	47	-	-	257	13	-	-	1,092	1,425	-	9	50,444	60	1,335	1,261	-	11	-	16	11	-	-	107	63	-	-	-	682	-	
Inventories of supplies	2,688	-	-	196	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	826	1,339	-	-
Estimated third-party payor settlements	7,436	-	-	2,768	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid expenses and other current assets	14,828	-	32	6,810	5	2	5	134	-	64	78	-	-	307	746	36	343	142	84	12	-	-	7	-	27	42	6,310	32	-	-	140	-	1,450
Total current assets	157,375	(97,280)	2,738	17,769	519	1,106	5,566	12,740	470	1,510	34,874	2,559	462	7,014	88,244	2,657	7,231	6,333	17,752	625	514	848	2,731	2,635	4,000	15,964	152	-	2,738	12,381	684	2,339	
Assets Whose Use is Limited																																	
Board-designated funds	16,610	-	-	-	-	-	-	-	12,937	3,673	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Funded depreciation	3,291	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foundation investments	19,811	-	-	-	-	-	-	-	12,937	3,673	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Noncurrent portion of assets whose use is limited	124,427	-	271	2,211	60	150	4,950	236	-	567	-	-	-	2,445	665	2,289	3,609	3,340	-	-	-	54,590	14,780	8,489	4,867	3,909	4,848	-	1,035	10,908	-	408	
Property and Equipment, Net	8,057	-	166	7	597	-	-	2,009	-	545	1,028	-	-	503	1,732	486	-	247	-	-	-	-	-	-	-	-	256	-	-	-	95	-	386
Right-of-Use Operating Lease Asset	(1,976)	(1,976)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due From Affiliates	35,935	-	358	-	5,408	12	5,344	2,224	2,368	31	-	-	-	-	758	105	84	182	4,410	-	-	-	557	962	3,166	13	342	-	-	-	9,328	-	283
Prepaid Expenses and Other Assets, Net	\$ 343,629	\$ (99,256)	\$ 3,033	\$ 19,987	\$ 6,684	\$ 4,469	\$ 16,860	\$ 17,209	\$ 19,775	\$ 6,326	\$ 35,902	\$ 2,559	\$ 462	\$ 9,962	\$ 91,399	\$ 5,637	\$ 10,824	\$ 10,102	\$ 22,162	\$ 625	\$ 514	\$ 55,895	\$ 18,473	\$ 14,200	\$ 8,686	\$ 20,471	\$ 5,000	\$ -	\$ 3,773	\$ 32,712	\$ 684	\$ 3,416	
Total assets																																	

	Non-Obligated Consolidated	Eliminations	University Healthcare	CCPC	OVASC	CCF	AHS	UPC	UHF	USCHM	AHS GPO	AHSL	SJHF	WVUHSNC	SMG	AHSOME	HCH	PEAK	PHC	PEPS	GAS	WVUC	RECOVERY	OVHC	PCHF	THSPP	TMSH	THS	BCHS	GMH	PHS	SPGC	
LIABILITIES AND NET ASSETS																																	
Current Liabilities																																	
Line of credit	\$ 8,735	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,500	\$ -	\$ 662	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,573	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Current maturities of long-term debt	5,239	-	-	224	47	-	252	-	-	-	-	-	-	973	-	140	732	-	-	-	-	-	365	436	24	261	251	-	-	-	1,534	-	
Accounts payable, accrued expenses and other	65,256	-	1,681	2,611	258	(17)	(113)	1,266	-	434	18,257	103	-	1,152	30,163	432	345	681	1,147	2	-	450	2,537	80	12	737	163	-	387	2,080	104	304	
Due to affiliates	18,246	(97,280)	299	10,032	-	383	318	7,285	-	446	149	1,090	-	1,770	34,465	1,176	448	335	1,992	400	-	638	-	1,260	1,088	43,434	68	-	2,275	604	580	4,689	
Estimated third-party payor settlements	5,834	-	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,135	-	-	
Salaries and benefits payable	43,554	-	655	4,234	15	18	220	2,652	-	801	717	710	-	2,398	20,998	215	463	1,510	-	74	-	219	-	(26)	25	4,621	-	-	2	2,031	-	702	
Current portion of malpractice costs	27	-	-	-	-	-	-	27	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total current liabilities	146,891	(97,280)	2,635	17,101	320	384	677	11,530	-	1,682	19,123	1,903	-	11,793	85,626	2,625	2,686	2,527	3,139	476	-	1,307	2,902	4,323	1,150	49,053	482	-	2,664	11,684	684	5,695	
Long-Term Debt, Net	53,396	-	-	270	10	-	1,485	-	-	-	-	-	-	1,614	-	468	9,920	-	-	-	-	-	-	10,638	11,378	524	2,686	5,985	-	-	8,818	-	-
Malpractice Costs	273	-	-	-	-	-	-	-	-	-	-	-	-	273	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Right-of-Use Operating Lease Obligations	4,926	-	58	-	387	-	-	1,207	-	314	794	-	-	216	1,125	360	-	92	-	-	-	-	-	-	-	234	-	-	30	-	-	109	
Due to Affiliates	126,950	(1,976)	-	-	-	-	-	-	-	-	-	-	-	2,763	2,965	-	-	-	-	-	-	14,403	-	-	-	109,250	(475)	-	-	-	-	-	
Other Liabilities	19,812	-	306	-	-	-	151	-	-	-	-	-	-	132	-	26	2,943	13,006	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total liabilities	349,048	(99,256)	3,051	17,371	717	384	2,162	12,888	-	1,996	19,917	1,903	-	16,406	90,121	3,453	12,634	5,062	15,139	476	-	15,719	13,540	15,701	1,674	161,223	5,692	-	2,664	20,632	684	5,804	
Net Assets (Deficit)																																	
Net assets without donor restrictions																																	
Controlling interest	(55,230)	-	(18)	2,616	5,867	2,050	13,698	4,321	12,138	4,330	15,985	656	462	(6,426)	1,278	2,084	(1,566)	1,638	6,023	149	514	895	4,933	(1,411)	4,997	(140,752)	(592)	-	1,109	12,180	-	(2,388)	
Noncontrolling interest	(1,102)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,902	-	-	-	(4,004)	-	-	-	-	-	-	-	-	-	
Net assets with donor restrictions																																	
Controlling interest	29,217	-	-	-	-	2,035	-	-	3,637	-	-	-	-	(18)	-	-	(144)	-	-	-	-	21,698	-	-	2,009	-	-	-	-	-	-	-	
Noncontrolling interest	21,698	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21,698	-	-	-	-	-	-	-	-	-	-	
Total net assets	(5,419)	-	(18)	2,616	5,867	4,085	13,698	4,321	15,775	4,330	15,985	656	462	(6,444)	1,278	2,084	(1,710)	4,540	5,023	149	514	60,285	4,933	(1,411)	7,006	(140,752)	(592)	-	1,109	12,180	-	(2,388)	
Total liabilities and net assets	\$ 343,629	\$ (99,256)	\$ 3,033	\$ 19,987	\$ 6,584	\$ 4,469	\$ 15,860	\$ 17,209	\$ 15,775	\$ 6,326	\$ 35,902	\$ 2,559	\$ 462	\$ 9,962	\$ 91,399	\$ 5,537	\$ 10,924	\$ 10,102	\$ 22,162	\$ 625	\$ 514	\$ 55,995	\$ 18,473	\$ 14,290	\$ 8,680	\$ 20,471	\$ 5,000	\$ -	\$ 3,773	\$ 32,712	\$ 684	\$ 3,416	

	Non-Obligated Consolidated	Eliminations	University Healthcare	CCPC	OVASC	CCF	AHS	UPC	UHF	USCHM	AHSOPD	AHSL	SJHF	WVUHSIC	SMG	AHSDME	HCH	PEAK	PHC	PEPS	GAS	WVUIC	RECOVERY	OVHC	PCHF	THSPF	TMHS	THS	TMHF	BCHS	GMH	PHS	SPGC	
Operating Revenues	\$ 351,114	\$ -	\$ -	\$ 61,904	\$ 4,096	\$ -	\$ -	\$ 39,854	\$ -	\$ 8,189	\$ -	\$ -	\$ -	\$ 40,405	\$ 36,616	\$ 7,625	\$ 17,951	\$ -	\$ (4)	\$ 1,789	\$ 20	\$ -	\$ -	\$ 6,400	\$ -	\$ 49,027	\$ -	\$ -	\$ -	\$ -	\$ 9,736	\$ 57,292	\$ -	\$ 10,214
Net patient service revenues	1,275	-	-	-	-	-	-	-	-	-	-	-	-	-	-	790	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Retail pharmacy revenues	243,985	(129,388)	19,345	42,044	-	47	8,154	20,321	-	7,935	16,305	1	331	28	195,743	26	398	25,619	16,901	2	7	3,630	(3,312)	44	1,071	1,181	1,145	1,547	-	62	544	13,697	472	
Other revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total operating revenues	596,374	(129,388)	19,345	103,948	4,096	47	8,154	60,175	-	16,124	16,305	1	331	40,433	232,359	7,651	19,139	25,619	16,497	1,791	27	3,630	(3,312)	6,444	1,071	50,208	1,145	1,547	-	8,304	59,815	13,587	10,686	
Operating Expenses	418,841	-	12,918	90,899	1,176	151	3,612	35,968	174	8,471	4,415	4	-	27,758	160,895	3,351	6,858	13,687	-	2,735	-	2,583	(1)	3,860	714	27,912	-	6,912	-	883	23,617	9,318	10,221	
Salaries and wages	84,238	(45)	3,885	7,156	324	19	935	8,035	52	3,763	1,173	99	-	10,122	19,695	1,360	2,449	3,662	-	246	-	-	788	-	1,132	159	3,523	-	2,706	-	225	8,111	2,658	2,336
Employee benefits	30,661	-	1	644	1,213	-	(88)	3,212	-	56	-	-	-	-	1,686	2,027	1,938	1,231	-	-	-	-	-	239	-	380	-	368	-	7,519	9,633	-	581	
Supplies	12,791	(116,926)	369	30,364	-	-	-	4,216	-	-	-	-	-	-	30,440	-	-	2,580	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Physician support	36,314	(12,605)	176	7,304	95	18	572	1,841	17	350	4	14	-	1,353	2,503	1,187	865	5,338	12,436	72	1	887	-	437	39	2,678	298	4,465	-	72	5,501	206	690	
Professional fees and purchased services	4,821	(6)	53	33	255	-	717	5	-	101	-	-	-	31	207	133	155	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Maintenance and repairs	1,852	-	58	145	18	1	284	116	6	56	4	1	-	162	62	147	440	(78)	(2,153)	1	-	35	3	360	4	80	183	16	-	136	1,738	1	26	
Licenses and taxes	10,703	-	30	501	907	-	475	403	-	128	-	-	-	961	206	254	444	1,024	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Depreciation and amortization	6,135	-	36	17	3	-	140	-	-	-	-	-	-	484	-	84	460	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other	110,022	166	1,908	6,885	667	52	8,845	5,789	671	2,954	2,021	(45)	22	5,345	17,691	545	2,640	7,572	28,225	141	(16)	2,694	(4,244)	1,199	769	885	259	4,648	-	180	9,014	1,331	1,804	
Total operating expenses	716,378	(129,388)	19,404	103,948	4,721	241	15,507	60,191	920	15,879	7,617	73	22	47,932	232,326	8,890	17,922	31,205	38,508	3,195	(15)	9,442	(3,299)	8,220	2,073	62,519	1,352	23,057	-	9,085	60,411	13,587	21,233	
Operating income (loss)	(120,004)	-	(64)	-	(625)	(194)	(7,353)	(16)	(920)	245	8,688	(72)	309	(7,499)	33	(1,239)	1,617	(5,586)	(22,011)	(1,404)	42	(5,812)	(13)	(1,776)	(402)	(62,311)	(207)	(21,510)	-	(781)	(596)	-	(10,547)	
Nonoperating Income (Loss)	5,129	-	64	-	-	255	128	14	1,043	274	649	-	4	4	651	-	8	88	364	-	-	10	-	-	312	-	-	39	-	1	1,221	-	-	
Investment income	451	-	-	-	(73)	-	-	-	-	-	-	-	-	(8)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1)	-	
Other, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total nonoperating income (loss)	5,580	-	64	-	(73)	255	128	16	1,551	297	649	-	4	(4)	651	-	8	88	364	-	-	10	-	-	312	-	-	39	-	1	1,220	-	-	
Revenues in excess of (less than) exp	(114,424)	-	-	-	(698)	61	(7,225)	-	631	542	9,337	(72)	313	(7,503)	684	(1,239)	1,625	(5,496)	(21,647)	(1,404)	42	(5,802)	(13)	(1,776)	(90)	(42,311)	(207)	(21,471)	-	(780)	624	-	(10,547)	
Change in noncontrolling interest	2,716	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,205	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Revenues in excess of (less than) expenses attributable to controlling interest	(111,708)	-	-	-	(698)	61	(7,225)	-	631	542	9,337	(72)	313	(7,503)	684	(1,239)	1,625	(4,233)	(21,647)	(1,404)	42	(4,351)	(13)	(1,776)	(90)	(42,311)	(207)	(21,471)	-	(780)	624	-	(10,547)	
Transfers to the School of Medicine and Strategic Initiatives	1,403	-	-	(34)	-	-	(4)	(22)	-	(16)	(32)	-	-	(41)	(22)	-	(11)	-	1,672	-	-	-	-	-	-	-	-	-	-	-	-	(87)	-	
Contributions For and Grants of Long-Lived Assets	13,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other	(5,538)	-	-	-	(332)	-	-	-	59	-	(4,650)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(290)	1	-	-	(1,326)	-	-	-	
Net Assets Released From Restrictions for Long-Lived Assets	4,692	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net Asset Contribution	338,603	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	338,603	-	-	-	-	
Transfers (To) From Affiliates	22,095	-	-	(72)	-	-	(9)	(46)	-	(33)	(2,667)	-	-	9,411	(48)	-	(272)	(2,250)	10,328	1,635	(71)	-	-	-	-	-	-	-	-	-	(669)	-	10,858	
Change in net assets without donor re	\$ 261,547	\$ -	\$ -	\$ (100)	\$ (1,020)	\$ 61	\$ (7,238)	\$ (69)	\$ 690	\$ 493	\$ 1,988	\$ (72)	\$ 313	\$ (2,133)	\$ 614	\$ (1,239)	\$ 1,342	\$ (6,483)	\$ 3,353	\$ 231	\$ (29)	\$ 341	\$ (13)	\$ (1,776)	\$ (980)	\$ (42,311)	\$ (206)	\$ 317,132	\$ (1,326)	\$ (780)	\$ (132)	\$ -	\$ 311	



	Non-Obligated Consolidated	Eliminations	University Healthcare	CCPC	OVASC	CCF	AHS	UPC	UHF	USCHM	AHSGPO	AHSL	SJHF	WVUHSNC	SMG	AHSDME	HCH	PEAK	PHC	PEPS	GAS	WVUC	RECOVERY	OVHC	PCHF	THSP	THS	THS	TMHF	BCHS	GMH	PHS	SPGC
<b>Changes in Net Assets Without Donor Restrictions</b>																																	
Revenues in excess of (less than) expenses	\$ (111,708)	\$ -	\$ -	\$ -	\$ (698)	\$ 61	\$ (7,225)	\$ -	\$ 631	\$ 542	\$ 9,337	\$ (72)	\$ 313	\$ (7,503)	\$ 684	\$ (1,239)	\$ 1,625	\$ (4,233)	\$ (21,647)	\$ (1,404)	\$ 42	\$ (4,351)	\$ (13)	\$ (1,776)	\$ (90)	\$ (42,311)	\$ (207)	\$ (21,471)	\$ -	\$ (780)	\$ 624	\$ -	\$ (10,547)
Net asset released from restrictions for long-lived assets	4,692	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,000	-	-	4,692	-	-	-	-	-	-	-	-	-	-	-
Net asset contribution	13,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	332,085	-	-	-	(332)	-	-	-	99	-	(4,650)	-	-	-	-	-	-	-	-	-	-	-	-	-	(290)	-	1	338,603	(1,326)	-	-	-	-
Transfers to the School of Medicine and strategic initiatives	1,403	-	-	(34)	-	-	-	(4)	(22)	-	(16)	(32)	-	-	(41)	(22)	-	-	1,672	-	-	-	-	-	-	-	-	-	-	-	(87)	-	-
Transfers (to) from affiliates	22,095	-	-	(72)	-	-	-	(9)	(46)	-	(33)	(32)	-	-	5,411	(48)	-	(272)	(2,250)	10,328	1,635	(71)	-	-	-	-	-	-	-	-	(663)	-	10,858
Change in net assets without donor restrictions	261,547	-	-	(106)	(1,030)	61	(7,238)	(68)	690	493	1,988	(72)	313	(2,133)	614	(1,239)	1,342	(6,483)	3,353	231	(29)	341	(13)	(1,776)	(380)	(42,311)	(206)	317,132	(1,326)	(780)	(132)	-	311
<b>Change in Net Assets Without Donor Restrictions, Noncontrolling Interest</b>																																	
Revenues in excess of (less than) exp	(2,716)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,265)	-	-	-	(1,451)	-	-	-	-	-	-	-	-	-	-	-
Noncontrolling interest net asset cont	2,250	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,250	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in net assets without donor restrictions, noncontrolling interest	(466)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	985	-	-	-	(1,451)	-	-	-	-	-	-	-	-	-	-	-
<b>Changes in Net Assets With Donor Restrictions</b>																																	
Contributions and grants	(1,472)	-	-	-	-	317	-	-	(65)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	307	-	-	-	(2,031)	-	-	-	-
Net assets released from restrictions, noncontrolling interest	(2,345)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,346)	-	-	-	-	-	-	-	-	-	-
Net assets released from restrictions	(2,346)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in net assets with donor restrictions	(6,164)	-	-	-	-	317	-	-	(65)	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,692)	-	307	-	-	-	(2,031)	-	-	-	-
Change in net assets	254,917	-	-	(106)	(1,030)	378	(7,238)	(68)	625	493	1,988	(72)	313	(2,133)	614	(1,239)	1,342	(5,498)	3,353	231	(29)	(5,802)	(13)	(1,776)	(73)	(42,311)	(206)	317,132	(3,357)	(780)	(132)	-	311
<b>Net Assets (Deficit), Beginning</b>	<u>(265,335)</u>	-	(18)	2,722	6,897	3,707	20,936	4,389	15,150	3,837	13,997	728	149	(4,311)	654	3,323	(3,052)	10,038	2,670	(92)	543	46,087	4,946	365	7,079	(98,441)	(386)	(317,132)	3,357	1,889	12,312	-	(2,899)
<b>Net (Deficit) Assets, Ending</b>	<u>\$ (5,419)</u>	<u>\$ -</u>	<u>\$ (18)</u>	<u>\$ 2,616</u>	<u>\$ 5,867</u>	<u>\$ 4,085</u>	<u>\$ 13,698</u>	<u>\$ 4,321</u>	<u>\$ 15,775</u>	<u>\$ 4,330</u>	<u>\$ 15,985</u>	<u>\$ 656</u>	<u>\$ 462</u>	<u>\$ (6,444)</u>	<u>\$ 1,278</u>	<u>\$ 2,084</u>	<u>\$ (1,710)</u>	<u>\$ 4,540</u>	<u>\$ 6,023</u>	<u>\$ 149</u>	<u>\$ 514</u>	<u>\$ 40,285</u>	<u>\$ 4,933</u>	<u>\$ (1,411)</u>	<u>\$ 7,006</u>	<u>\$ (140,752)</u>	<u>\$ (952)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,109</u>	<u>\$ 12,180</u>	<u>\$ -</u>	<u>\$ (2,388)</u>

ASSETS	Non-Obligated Consolidated		University Healthcare	CCPC	OVASC	CCF	AHS	UPC	UHF	USCHM	AHS GPO	AHSL	SJHF	WVUHSNC	SMG	AHSDME	HCH	HCHF	PEAK	PHIC	PEPS	GAS	WVUC	RECOVERY	OVHC	PCHF	THSP	TMHS	THS	TMHF	BCHS	GMH	SPGC	
Current Assets																																		
Cash and cash equivalents	\$ 86,124	-	-	1,003	\$ 3,484	\$ 83	\$ 829	\$ 12,416	\$ 3,406	\$ 117	\$ 424	\$ 24,457	\$ 2,923	\$ 149	\$ 1,219	\$ 18,535	\$ 2,282	\$ 2,757	\$ -	\$ 1,599	\$ 1,232	\$ (170)	\$ 790	\$ 34	\$ 634	\$ 2,105	\$ 3,748	\$ -	\$ 39	\$ (4,787)	\$ 272	\$ 585	\$ 5,524	\$ 435
Accounts receivable	47,574	-	-	-	6,248	274	-	129	4,460	-	826	-	-	5,732	5,670	1,918	1,984	-	-	-	677	31	-	-	-	767	-	9,072	-	(1,950)	-	537	10,533	668
Patients, net	29,138	-	71	87	-	3	14,893	48	91	1,067	4,788	53	-	511	54	(50)	30	-	1,208	23	126	-	155	1,142	-	17	566	85	3,638	-	-	4	528	
Other	(2,044)	(15,846)	428	538	-	-	(9)	968	(48)	13	1,605	1,000	-	(13)	1,497	116	434	-	6,389	-	19	10	490	-	300	-	-	-	-	-	-	(8)	73	
Affiliates	3,522	-	-	-	-	298	-	-	-	-	-	-	-	-	-	-	223	-	-	-	-	-	-	-	8	-	-	-	-	904	-	731	1,358	-
Inventories of supplies	4,916	-	-	-	2,175	-	-	-	1,475	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Estimated third-party payor settlements	6,972	-	120	859	5	(3)	6	65	-	65	161	-	-	230	885	44	282	-	368	15	78	-	44	-	17	45	323	30	1,818	-	329	1,191	-	
Prepaid expenses and other current assets																																		
Total current assets	178,202	(15,846)	1,622	13,301	660	829	27,435	10,422	160	2,395	31,011	3,978	149	7,679	26,641	4,308	5,710	-	9,564	1,270	730	831	723	1,778	3,189	3,813	11,227	154	(377)	272	1,853	17,740	2,805	
Assets Whose Use is Limited																																		
Board-designated funds	16,167	-	-	-	-	-	-	-	-	12,517	3,650	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Funded depreciation	2,949	-	-	-	-	2,949	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foundation investments																																		
Noncurrent portion of assets whose use is limited	19,116	-	-	-	-	2,949	-	-	-	12,517	3,650	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property and Equipment, Net	131,352	-	191	2,692	107	150	4,980	199	-	389	-	-	-	3,347	806	2,089	3,852	-	4,110	-	-	-	56,433	15,157	8,753	4,828	813	4,862	6,177	-	1,122	10,244	51	
Right-of-Use Operating Lease Asset	10,727	-	311	35	875	-	-	2,000	-	599	1,267	-	-	766	3,589	611	-	-	397	-	-	-	-	-	-	-	-	-	-	98	-	-	119	-
Due From Affiliates	(1,976)	(1,976)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Prepaid Expenses and Other Assets, Net	38,056	-	504	-	6,309	12	6,693	2,383	2,491	32	94	-	-	-	965	123	50	-	51	2,153	-	-	-	243	1,050	3,141	13	6	-	329	3,089	-	8,272	53
Total assets	\$ 373,477	\$ (17,822)	\$ 2,628	\$ 16,118	\$ 7,951	\$ 3,940	\$ 38,108	\$ 15,064	\$ 15,108	\$ 7,065	\$ 32,372	\$ 3,976	\$ 149	\$ 11,792	\$ 32,001	\$ 7,131	\$ 9,612	\$ -	\$ 14,122	\$ 3,423	\$ 730	\$ 831	\$ 57,399	\$ 17,983	\$ 15,083	\$ 6,654	\$ 12,048	\$ 6,016	\$ 6,227	\$ 3,361	\$ 2,975	\$ 36,375	\$ 2,999	



	Non-Obligated Consolidated	University Healthcare	CCPC	OVASC	CCF	AHS	UPC	UHF	USCHM	AHSGPO	AHSL	SJHF	WVUHSNC	SMG	AHSDME	HCH	HCHF	PEAK	PHIC	PEPS	GAS	WVUIC	RECOVERY	OVHC	PCHF	THSP	TMHS	THS	TMHF	BCHS	GMH	SPGC	
Operating Revenues	\$ 288,652	\$ -	\$ -	\$ 48,977	\$ 4,026	\$ -	\$ -	\$ 36,578	\$ -	\$ 8,085	\$ -	\$ -	\$ 40,087	\$ 50,293	\$ 6,825	\$ 15,062	\$ -	\$ -	\$ 1,714	\$ 584	\$ -	\$ -	\$ 3,606	\$ -	\$ 38,492	\$ -	\$ -	\$ -	\$ 5,168	\$ 27,271	\$ 3,884		
Net patient service revenues	149,055	-	-	-	-	-	-	145,767	-	-	-	-	-	-	-	3,012	-	-	-	-	-	-	(8)	-	-	-	-	-	-	-	284	-	
Retail pharmacy revenues	204,423	(43,415)	18,836	29,047	-	56	29,429	18,491	-	7,860	18,232	3	118	7	105,813	48	1,458	-	14,120	-	-	(1)	1,684	(3,125)	28	1,730	1,006	1,236	2,401	781	48	412	138
Other revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total operating revenues	642,130	(43,415)	18,836	78,024	4,026	56	175,196	55,069	-	15,945	18,232	3	118	40,094	156,106	6,873	19,533	-	14,120	-	1,714	583	1,684	(3,125)	3,626	1,730	39,498	1,236	2,401	781	5,216	27,967	4,023
Operating Expenses	341,973	(44)	11,322	48,318	1,226	118	9,510	31,810	163	7,932	4,049	(87)	-	25,824	101,285	2,879	6,968	-	8,605	118	2,805	1,182	2,429	-	1,645	710	28,144	-	27,708	-	535	11,853	6,968
Salaries and wages	91,477	(69)	3,367	6,259	273	15	3,319	7,883	50	3,224	1,114	(66)	-	9,165	11,733	1,112	2,287	-	2,166	11	211	154	659	-	473	163	3,068	-	30,283	-	142	2,886	1,663
Employee benefits	169,367	(3)	5	541	840	-	144,053	3,390	-	52	-	-	-	1,855	2,289	1,825	3,339	-	-	-	-	-	-	-	84	-	926	-	489	-	4,336	5,189	157
Supplies	35,241	(38,526)	342	10,528	-	-	-	4,085	-	-	-	-	-	-	27,090	-	2,081	-	-	-	-	-	-	-	-	-	27,403	-	59	-	-	-	179
Physician support	47,823	(6,287)	282	6,074	95	16	1,061	1,758	6	341	48	3	-	1,352	2,321	940	720	-	3,417	5,945	45	280	1,470	9	124	65	1,086	264	22,454	-	112	3,523	288
Professional fees and purchased services	8,346	17	33	40	184	1	665	10	-	134	3	-	-	44	76	141	299	-	-	-	-	1	220	2	46	79	57	51	5,716	-	12	448	67
Maintenance and repairs	5,085	-	99	107	15	1	2,703	136	-	54	7	-	-	128	129	143	474	-	195	-	4	-	29	48	2	4	69	179	121	-	16	411	11
Licenses and taxes	9,288	-	37	508	915	-	786	432	-	116	-	-	-	871	409	338	448	-	748	-	-	-	1,471	377	163	220	131	191	193	-	71	620	43
Depreciation and amortization	7,507	-	-	24	-	-	520	-	-	-	-	-	-	200	1	81	457	-	-	-	-	194	474	366	8	-	299	4,811	-	-	72	-	-
Interest	71,390	(903)	1,450	5,479	729	56	8,921	5,953	579	3,033	1,988	(54)	207	5,378	10,674	576	2,080	-	5,202	78	449	50	2,195	(5,000)	357	614	813	227	15,641	550	136	1,992	770
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total operating expenses	787,497	(43,415)	18,837	75,878	4,227	207	171,538	55,087	738	14,886	7,209	(72)	207	64,817	156,007	8,036	19,153	-	20,333	6,153	3,514	1,667	8,667	(3,150)	3,260	1,863	81,697	1,211	107,886	550	6,360	26,984	10,144
Operating income (loss)	(145,367)	-	(101)	146	(201)	(151)	3,658	(18)	(798)	1,059	11,023	75	(89)	(4,723)	99	(1,162)	389	-	(6,213)	(6,153)	(1,800)	(1,084)	(6,983)	25	366	(133)	(22,199)	25	(105,284)	211	(144)	873	(6,121)
Nonoperating Income (Loss)	3,654	-	86	-	-	68	233	18	800	211	-	-	1	14	40	-	6	-	40	106	-	-	-	-	-	328	-	-	888	263	-	552	-
Investment income	(267,180)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(743)	-	-	-	-	-	-	-	-	2,629	(76,242)	(411)	(207,574)	852	-	14,309	-
Inherent contribution	357	-	15	(146)	85	-	(255)	-	336	-	-	-	-	-	-	-	14	-	-	-	-	-	308	-	-	-	-	-	-	-	-	-	-
Other, net	(5,162)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loss on refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total nonoperating income	(268,331)	-	101	(146)	85	68	(22)	18	1,136	211	-	-	1	14	40	-	(723)	-	40	106	-	-	308	-	-	2,957	(76,242)	(411)	(211,848)	1,115	-	14,861	-
Revenues in excess of (less than) expense	(413,698)	-	-	-	(166)	(83)	3,636	-	338	1,270	11,023	75	(88)	(4,709)	139	(1,162)	(343)	-	(6,173)	(6,047)	(1,800)	(1,084)	(6,875)	25	366	2,824	(98,441)	(386)	(317,132)	1,326	(144)	15,834	(6,121)
Change in noncontrolling interest	3,089	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,420	-	-	-	1,699	-	-	-	-	-	-	-	-	-	-	-
Revenue in excess of expenses attributable to controlling interest	(410,609)	-	-	-	(166)	(83)	3,636	-	338	1,270	11,023	75	(88)	(4,709)	139	(1,162)	(343)	-	(4,753)	(6,047)	(1,800)	(1,084)	(5,006)	25	366	2,824	(98,441)	(386)	(317,132)	1,326	(144)	15,834	(6,121)
Transfers to the School of Medicine and Strategic Initiatives	(159)	-	-	(30)	-	-	(4)	(19)	-	(14)	(28)	-	-	(36)	(19)	-	(9)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributions and Grants for Long-Lived Assets	1,891	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,891	-	-	-	-	-	-	-
Other	1,040	-	-	-	-	(51)	-	-	-	(1,400)	-	-	-	-	-	-	-	(341)	-	-	-	-	-	-	-	249	-	-	-	-	2,583	-	-
Net Assets Released From Restrictions for Long-Lived Assets	4,691	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,691	-	-	-	-	-	-	-	-	-	-	-
Transfers (To) From Affiliates	19,648	-	-	(193)	(672)	-	(216)	(114)	-	(81)	(2,729)	-	-	5,826	(93)	3,000	(836)	(288)	6,391	6,590	1,694	1,411	-	(1)	413	-	-	-	-	-	(550)	(3,922)	3,562
Change in Net Assets Without Donor Restrictions	\$ (363,498)	\$ -	\$ -	\$ (193)	\$ (843)	\$ (83)	\$ 3,367	\$ (133)	\$ 338	\$ 1,205	\$ 6,866	\$ 75	\$ (88)	\$ 1,080	\$ 27	\$ 1,838	\$ (1,188)	\$ (288)	\$ 1,297	\$ 543	\$ (106)	\$ 327	\$ (315)	\$ 25	\$ 365	\$ 5,377	\$ (98,441)	\$ (386)	\$ (317,132)	\$ 1,326	\$ 1,889	\$ 12,312	\$ (2,559)

[illegible]