AHS Hospital Corp.

Consolidated Financial Statements
As of and for the nine months ended
September 30, 2026 and 2025

AHS Hospital Corp.

Consolidated Balance Sheets
As of September 30, 2026 and December 31, 2025
(in thousands)

ASSETS	Unaudited September 30, 2026	Audited December 31, 2025
Current assets:		
Cash and cash equivalents	$ 414,888	$ 394,370
Assets limited as to use	60,526	61,443
Patient accounts receivable, net	492,701	469,763
Other current assets	306,536	286,746
Total current assets	1,274,651	1,212,322
Assets limited as to use, net of current portion	3,465,473	3,079,525
Long-term investments and other assets	662,484	650,356
Property, plant and equipment, net	1,502,710	1,552,311
Right of use assets, net	289,936	327,586
Total assets	$ 7,195,254	$ 6,822,100
LIABILITIES AND NET ASSETS		
Current liabilities:		
Current portion of long-term debt	$ 8,390	$ 13,485
Current portion of lease liability	47,129	51,294
Accounts payable and accrued expenses	657,461	601,300
Estimated amounts due to third party payers	59,869	63,020
Total current liabilities	772,849	729,099
Accrued employee benefits and other, net of current portion	284,103	278,149
Long-term debt, net of unamortized bond premium, debt issuance costs, and current portion	1,346,443	1,353,412
Long-term lease liability, net of current portion	254,174	287,461
Total liabilities	2,657,569	2,648,121
Net assets:		
Without donor restrictions controlled by the Hospital	4,302,238	3,939,389
Without donor restrictions attributable to noncontrolling interest	3,402	4,061
Without donor restrictions	4,305,640	3,943,450
With donor restrictions	232,045	230,529
Total net assets	4,537,685	4,173,979
Total liabilities and net assets	$ 7,195,254	$ 6,822,100

AHS Hospital Corp.

Consolidated Statements of Operations
For the nine months ended September 30, 2026 and 2025
(in thousands)

	Unaudited September 30, 2026	Unaudited September 30, 2025
Revenues, gains and other support		
Net patient service revenue	$ 3,764,995	$ 3,517,141
Other revenue	39,961	38,827
Net assets released from restrictions	11,295	11,766
Total revenues, gains and other support	3,816,251	3,567,734
Expenses		
Salaries	1,698,759	1,614,493
Supplies and other expenses	1,424,406	1,341,100
Employee benefits	344,075	332,955
Depreciation	158,067	150,278
Interest	36,667	37,601
Total operating expenses	3,661,974	3,476,427
Operating income	154,277	91,307
Change in net unrealized loss	106,158	207,795
Investment income, net	86,460	77,307
Nonoperating gain (loss), net	1,202	(7,114)
Excess of revenues over expenses	348,097	369,295
Other changes in net assets without donor restrictions		
Noncontrolling interest	(659)	192
Equity transfers to related parties	-	(6,216)
Net assets released from restrictions for capital purposes	14,752	11,440
Government grants used for capital purchases	-	13,763
Increase in net assets without donor restrictions	$ 362,190	$ 388,474

AHS Hospital Corp.

Consolidated Statements of Changes in Net Assets
For the nine months ended September 30, 2026 and 2025
(in thousands)

	Unaudited September 30, 2026	Unaudited September 30, 2025
Net assets without donor restrictions		
Excess of revenues over expenses	$ 348,097	$ 369,295
Equity transfers to related parties	-	(6,216)
Noncontrolling interest	(659)	192
Net assets released from restrictions for capital purposes	14,752	11,440
Government grants used for capital purchases	-	13,763
Increase in net assets without donor restrictions	362,190	388,474
Net asset with donor restrictions		
Contributions	22,603	22,074
Investment income	1,047	3,283
Change in net unrealized loss	3,913	3,269
Net assets released from restrictions for operations	(11,295)	(11,766)
Net assets released from restrictions for capital purposes	(14,752)	(11,440)
Increase in net assets with donor restrictions	1,516	5,420
Increase in net assets	363,706	393,894
Net assets		
Beginning of year	4,173,979	3,688,402
End of period	$ 4,537,685	$ 4,082,296

AHS Hospital Corp.

Consolidated Statements of Cash Flows
For the nine months ended September 30, 2026 and 2025

(in thousands)	Unaudited September 30, 2026	Unaudited September 30, 2025
Cash flows from operating activities		
Change in net assets	$ 363,706	$ 393,894
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Equity transfers to related parties	-	6,216
Depreciation	158,067	150,278
Loss on disposal of property, plant & equipment	2,829	-
Noncontrolling interest	(659)	192
Net realized and unrealized gains on investments	(143,195)	(238,376)
Gain in value of swap agreements	(464)	(604)
Amortization of deferred financing costs and bond premium/discounts	(1,764)	(1,764)
Amortization of right of use assets	42,654	38,756
Contributions restricted for capital and permanent investments	(15,300)	(27,414)
Changes in assets and liabilities		
(Increase) Decrease in net patient accounts receivable	(22,938)	12,751
(Increase) Decrease in other assets	(12,063)	27,073
Decrease (Increase) in accounts payable, accrued expenses, est. amounts due from third party payers, lease liability, and other liabilities	18,575	(64,834)
Net cash provided by operating activities	389,448	296,168
Cash flows from investing activities		
Purchases of investments	(2,121,447)	(1,112,241)
Proceeds from sales of investments	1,797,944	1,113,176
Repayment of loan to AHSIC	3,579	5,075
Contributions to venture capital private equity funds	(11,849)	(9,799)
Acquisition of Advanced Care Oncology and Hematology Associates, net of cash acquired	(1,463)	(2,195)
Additions to property, plant and equipment	(111,435)	(202,560)
Net cash used in investing activities	(444,671)	(208,544)
Cash flows from financing activities		
Principal payments on long-term debt	(10,300)	(15,950)
Equity transfers to related parties	-	(6,216)
Contributions restricted for capital purposes and permanent investments	11,041	28,831
Net cash provided by financing activities	741	6,665
Decrease in cash and cash equivalents	(54,482)	94,289
Cash and cash equivalents, beginning of year	469,370	244,580
Cash and cash equivalents, end of the period	$ 414,888	$ 338,869

AHS Hospital Corp.
For the nine months ended September 30, 2026 and 2025

	Period Ended September 30,	
	2026	**2025**
Licensed Beds (1)		
MMC	759	759
OMC	513	513
NMC	148	148
CMC	260	260
HMC	111	111
Total Acute Care	1,791	1,791
Admissions		
MMC	36,873	35,547
OMC	17,937	16,998
NMC	6,322	6,082
CMC	8,032	7,500
HMC	2,989	2,975
Total Acute Care	72,153	69,102
Observations		
MMC	10,252	7,971
OMC	5,005	4,831
NMC	1,892	1,581
CMC	3,307	2,732
HMC	920	877
	21,376	17,992
Admissions + Observations		
MMC	47,125	43,518
OMC	22,942	21,829
NMC	8,214	7,663
CMC	11,339	10,232
HMC	3,909	3,852
	93,529	87,094

AHS Hospital Corp.
For the nine months ended September 30, 2026 and 2025

	Period Ended September 30,	
	2026	**2025**
Patient Days		
MMC	190,050	193,182
OMC	82,852	81,693
NMC	32,779	34,145
CMC	38,051	35,855
HMC	14,339	15,954
Total Acute Care	358,071	360,829
Average Length of Stay		
Acute Avg LOS	5.0	5.2
Inpatient Surgeries		
MMC	9,655	9,804
OMC	2,839	2,994
NMC	407	498
CMC	1,103	1,052
HMC	325	394
	14,329	14,742
Outpatient Surgeries		
MMC (2)	19,264	19,223
OMC	10,820	10,452
NMC	1,480	1,605
CMC	3,492	3,366
HMC	950	1,010
	36,006	35,656
Total Surgeries		
MMC	28,919	29,027
OMC	13,659	13,446
NMC	1,887	2,103
CMC	4,595	4,418
HMC	1,275	1,404
	50,335	50,398

AHS Hospital Corp.
For the nine months ended September 30, 2026 and 2025

	Period Ended September 30,	
	2026	**2025**
Outpatient Visits		
MMC	675,558	653,881
OMC	260,554	255,853
NMC	85,701	82,145
CMC	113,336	104,376
HMC	59,742	58,887
	1,194,891	1,155,142
Emergency Room Visits (3)		
MMC	84,001	81,887
OMC (4)	80,331	80,870
NMC	29,981	29,866
CMC	35,936	35,629
HMC	18,099	18,014
	248,348	246,266
Deliveries (5)		
MMC	4,215	4,412
OMC	1,821	1,586
NMC	336	323
CMC	531	552
	6,903	6,873
HomeCare Visits	179,162	180,021
Full time equivalents (6) Hospital divisions, AVN, and AMG	18,932	18,637

Notes:
(1) Excludes newborn bassinets.
(2) Includes outpatient surgeries from 111 Madison Ave and Rockaway.
(3) Includes visits resulting in admission.
(4) Includes ER Visits from Union.
(5) Includes multiple births.
(6) Calculation of FTE is as of period end and assumes 37.5-hour work week.

1. Organization

AHS Hospital Corp. and subsidiaries (the "Hospital") is a New Jersey not-for-profit entity comprised of five hospital facilities, the Atlantic Health Morristown Medical Center ("AHMMC"), the Atlantic Health Overlook Medical Center ("AHOMC"), the Atlantic Health Newton Medical Center ("AHNMC"), the Atlantic Health Chilton Medical Center ("AHCMC"), and the Atlantic Health Hackettstown Medical Center ("AHHMC"). Atlantic Visiting Nurse ("AVN"), which provides comprehensive home health and hospice and palliative care services as well as adult day care services and various community health services, is also included within the Hospital. Each of the above operate as divisions within AHS Hospital Corp. and not as separate corporations. Also, included in the Hospital is the Foundation for the Morristown Medical Center ("MMCF"), a wholly owned subsidiary and not-for-profit fundraising organization. The Hospital is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

The Hospital provides regional health care services including a broad range of adult, pediatric, obstetrical/gynecological, psychiatric, oncology, intensive care, cardiac care and newborn acute care services to patients from the counties of Morris, Essex, Passaic, Sussex, Bergen, Hunterdon, Union, Warren and Somerset in New Jersey, Pike County in Pennsylvania and southern Orange County in New York. The Hospital is also a regional health trauma center that provides tri-state coverage and provides numerous outpatient ambulatory services, rehabilitation and skilled care and emergency care.

Also included in the Hospital is Practice Associates Medical Group doing business as Atlantic Medical Group, P.A. ("AMG"), the captive physician practice serving all of the Hospital divisions. It is a nonprofit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code. Originally formed to provide billing and collection services for fees generated by physicians employed by the hospital divisions, AMG now serves as a physician-governed group practice entity with over 1,700 providers. AMG supports the Hospital by improving consistency, enhancing collaboration among those delivering care and optimizing care system operations.

MMCF solicits funds in its general appeal to primarily support the AHMMC and the community as MMCF's Board may deem appropriate. The by-laws of MMCF were amended on November 19, 2015, to provide that funds received by MMCF after the date of the amendment may be used for the benefit of Atlantic Health System, Inc. ("Atlantic Health") and the Hospital, including all subsidiaries, upon approval of the Executive Committee of the Board of MMCF.

In June 2019, Atlantic Rehabilitation Institute ("ARI") began operations under a joint venture between the Hospital and Lifepoint Health ("Lifepoint") (formerly Kindred Healthcare). ARI is a two-story, 38-bed rehabilitation facility, located in Madison, NJ and provides patient-focused rehabilitation dedicated to the treatment and recovery of individuals through intensive specialized rehabilitation services for patients who have experienced a loss of function from an injury or illness. The Hospital contributed the existing rehabilitation business for a 55% ownership investment. The Hospital consolidates the joint venture's operations and records an adjustment for the noncontrolling interest within other changes in net assets without donor restrictions on the consolidated statements of operations and separates Kindred's equity as noncontrolling interest within net assets without donor restrictions on the consolidated balance sheets.

The Hospital is a wholly controlled subsidiary of Atlantic Health, a not-for-profit organization.

Atlantic Health wholly owns the following for-profit entities; Atlantic Health Management Corp., a for-profit holding company, which owns AHS Investment Corporation and Subsidiaries ("AHSIC"); AHS Insurance Company, Ltd. (the "Captive"), a for-profit insurance company licensed under the provisions of the Cayman Islands Insurance Law; Atlantic Health Organization, LLC and AHS Health Network LLC, for-profit companies established to provide a vehicle to report risk contracting under the requirements of the banking and insurance regulations; Primary Care Partners, LLC, Atlantic Health Partners, LLC, and Atlantic Brain and Spine, LLC, for-profit physician practice entities; AHS ACO, LLC, Care Better ACO LLC and Premier Health ACO, LLC, for-profit limited liability companies established for the purpose of participating in the Medicare Shared Savings Program under the Patient Protection and Affordable and Accountable Care Act of 2010 as well as participating in shared savings programs with certain commercial carriers; and several urgent care and advanced urgent care centers located within the Hospital's geographic regions. AHSIC holds real estate interests and manages health care businesses including magnetic resonance imaging, durable medical equipment and private duty home care services. The Captive's principal activity is to provide for professional and commercial general liability insurance to Atlantic Health and its subsidiaries beginning January 1, 2002. In addition, Atlantic Health wholly owns the following not-for-profit entities: Atlantic Ambulance Corp., a not-for-profit company established to provide emergency and nonemergency medical transportation to Atlantic Health and its subsidiaries; North Jersey Health Care Properties which owns commercial buildings; Prime Care, Inc. which provides various wellness, health education and other health services; and Newton Medical Center Foundation, Inc. and the Chilton Medical Center Foundation, Inc., both not-for-profit fund raising organizations for the benefit of their respective Hospital Divisions.

The Overlook Foundation and the Foundation for the Hackettstown Medical Center are not-for-profit fundraising organizations affiliated with the AHOMC and AHHMC, respectively, however, they are not controlled subsidiaries of Atlantic Health or the Hospital.

Effective January 1, 2022, Atlantic Health and CentraState Healthcare System ("CentraState"), a nonprofit health system with a continuum of care operating one acute care hospital in Freehold, New Jersey in Monmouth County, completed their newly expanded partnership, creating a unique model for health system co-ownership under which Atlantic Health became the 51% majority corporate member in CentraState and CentraState joined the System's network of care. The partnership is structured to deliver benefits to patients, physicians, and caregivers in CentraState's communities by strengthening its integrated clinical services, physician network and infrastructure through capital investments.

2. Basis of Presentation

The consolidated financial statements included herein are unaudited and include all adjustments (consisting of normal recurring adjustments), which are, in the opinion of management, necessary for a fair presentation of the financial position and results of operations. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been omitted. These financial statements should be read in conjunction with the Hospital's audited financial statements for the year ended December 31, 2025.

3. Net Patient Service Revenue

The components of net patient service revenue for the Hospital (including AVN and AMG) for the nine months ended September 30, 2026 and 2025 are as follows:

	September 30, 2026	September 30, 2025
Gross charges		
Inpatient	$ 8,361,044	$ 7,908,500
Outpatient	9,310,472	8,459,574
Physician Practices	1,756,363	1,299,200
Total gross charges	19,427,879	17,667,274
Net additions (deductions) from gross charges		
Contractual discounts and implicit price concessions	(15,516,086)	(14,010,866)
Charity care discount	(193,133)	(154,670)
State subsidies	46,335	15,403
	(15,662,884)	(14,150,133)
Net patient service revenue	$ 3,764,995	$ 3,517,141

The mix of Hospital net patient service revenue (excluding net revenue recorded by AMG and state subsidies), net of contractual discounts and implicit price concessions by payer for the nine months ended September 30, 2026 and 2025 is as follows:

	September 30, 2026	September 30, 2025
Medicare, including Managed Medicare	35.3 %	35.2 %
Medicaid, including Managed Medicaid	6.0	6.2
Blue Cross	25.1	27.7
Commercial	29.3	27.2
Charity care and self pay	0.2	0.2
Other	4.1	3.5
	100.0 %	100.0 %

Net patient service revenue recorded by AMG's physician practices amounted to $543,031 and $482,495 for the nine months ended September 30, 2026 and 2025, respectively. AMG's net patient service revenue by payer for the nine months ended September 30, 2026 and 2025, is as follows:

Medicare, including Managed Medicare	39.1 %	36.8 %
Medicaid, including Managed Medicaid	6.6	7.1
Blue Cross	23.5	25.8
Commercial	28.5	26.7
Charity care and self pay	0.1	0.1
Other	2.2	3.5
	100.0 %	100.0 %

4. Pension Plan Contribution

The Hospital contributed $17,000 and $13,000 to the cash balance pension plan during the nine months ended September 30, 2026 and 2025, respectively. The service cost component of annual pension expense for the year ended December 31, 2026 is expected to be $33,818, as compared to $32,856 for the year ended December 31, 2025.

5. Assets Limited as to Use

Assets limited as to use at September 30, 2026 and December 31, 2025, consist of the following:

	September 30, 2026	December 31, 2025
Board designated		
Cash held for investments	$ -	$ 75,000
Short-term investments including money market funds	268,782	223,409
Equity securities	399,736	413,232
Fixed income funds	838,404	740,000
Mutual funds	1,821,640	1,499,935
Investments measured at net asset value	194,758	181,833
	3,523,320	3,133,409
Under bond indenture agreements		
Short-term investments including money market funds		
Interest account	1,348	2,850
Principal account	986	4,063
Debt service reserve fund	345	646
	2,679	7,559
Total assets whose use is limited	3,525,999	3,140,968
Less, assets limited as to use and are required for current liabilities	60,526	61,443
Noncurrent assets limited as to use	$ 3,465,473	$ 3,079,525

Assets limited as to use under bond indenture agreements represent certain funds that are controlled by trustees for as long as any of the bonds remain outstanding. These funds, including interest income, are held by bank trustees who administer the trusts as required under the bond indenture agreements.

6. Long-Term Investments and Other Assets

Long-term investments and other assets at September 30, 2026 and December 31, 2025 are as follows:

	September 30, 2026	December 31, 2025
Long-term investments		
Short term investments including money market funds	$ 4,079	$ 9,613
Mutual funds	99,164	88,844
Alternative investments - equity	8,602	8,534
	111,845	106,991
Other assets		
AHSIC related party loans	103,698	107,407
Professional and general liability insurance recoveries	116,680	116,680
CentraState related party loan	113,816	113,816
Workers compensation liability insurance recoveries	11,300	11,300
Accrued employee benefit asset	43,200	43,200
Due from Overlook Medical Center Foundation	35,415	40,336
Due from Newton Medical Center Foundation	1,955	3,864
Due from Chilton Medical Center Foundation	6,560	7,009
Due from the Foundation for Hackettstown Medical Center	2,578	2,621
Venture capital private equity funds	39,476	27,627
Equity method investments	4,876	4,153
Beneficial interest in trusts	3,003	3,003
Goodwill	44,321	44,321
Life interest in real estate	9,775	9,775
Other	13,986	8,253
	550,639	543,365
Total long-term investments and other assets	$ 662,484	$ 650,356

On August 17, 2022, the Hospital entered into a secured loan agreement with CentraState in the amount of $103,497, whereby the proceeds were utilized by CentraState to pay off or legally defease all of its financed obligations as of that date. CentraState will pay interest to the Hospital monthly at a fixed rate of 3.21% with the full principal amount due to the Hospital on May 31, 2037. The loan is collateralized by the gross receipts of CentraState as well as its owned properties. In addition, certain financial covenants must be maintained by CentraState. On July 1, 2024, CentraState sold the Center for Aging, Inc. d/b/a Applewood, its wholly owned subsidiary to an unrelated entity. Upon sale, CentraState transferred $19,681 to the Hospital to pay off the portion of the secured loan related to Applewood.

On August 31, 2023, the Hospital entered into a revolving credit loan agreement with CentraState in the amount of $30,000, whereby drawdowns were utilized by CentraState to pay working capital requirements to meet its obligations. CentraState will pay interest to the Hospital monthly at a fixed annual rate of 5% with the full principal amount due to the Hospital on August 31, 2028. At September 30, 2026 and December 31, 2025, CentraState's outstanding draw down on the revolving credit loan, was $30,000.

On February 5, 2024, Advanced Care Oncology & Hematology Associates physician practice and oral pharmacy was acquired. There was an initial payment made to the sellers on the closing date and three subsequent annual installment payments to be made on the anniversary of the closing date subject to the practice maintaining or exceeding annual aggregate productivity thresholds. The total purchase price represents the fair market value of the purchased interest which was validated by an independent, third-party appraisal. The related goodwill was recorded in long-term investments and other assets.

The Hospital accrues an estimate of the ultimate cost of claims under all insurance policies whether the policy is fully insured or a self-insurance policy, with any insurance recoverable under such policies recorded as a receivable. As of September 30, 2026 and December 31, 2025, the Hospital has recorded a corresponding liability for professional and general liability insurance claims within accounts payable and accrued expenses in the consolidated balance sheets. As of September 30, 2026 and December 31, 2025, the Hospital recorded liabilities related to estimated gross workers compensation claims totaling $29,245 and $29,300, respectively, within accounts payable and accrued expenses in the consolidated balance sheets.

Due from Overlook, Newton, Chilton and Hackettstown Medical Center Foundations relate to the amounts due from the Foundations for contributions received by the Foundations on behalf of AHOMC, AHNMC, AHCMC and AHHMC. The Foundations solicit funds in their general appeal to support the Hospital and for other health care purposes as the respective Foundation's individual Board of Trustees may deem appropriate. In the absence of donor restrictions, the Foundations have discretionary control over the amounts to be distributed to the providers of health care services, the timing of such distributions, and the purposes for which such funds are used. The assets held at the affiliated foundations are comprised primarily of cash and cash equivalents, marketable equity securities and debt securities.

7. Long-Term Debt

The Hospital is the sole member of the obligated group as defined in and established under the Master Trust Indenture. Neither Atlantic Health nor any of its affiliates is liable to make any payment with respect to the bonds or any other obligations under the Master Indentures. Under the terms of the Master Trust Indenture, the Hospital is required to maintain certain deposits with a trustee, which are included with assets limited as to use in the consolidated balance sheets. The Master Trust Indenture also contain provisions whereby certain financial ratios are to be maintained and permit additional borrowings subject to the maintenance of specific financial ratios. The most restrictive covenant is for the Hospital to maintain a debt service coverage ratio in each year of at least 1.2 times the debt service requirement on all long-term debt in that year. The Hospital is compliant with its financial covenants at September 30, 2026 and December 31, 2025.

Long-term debt at September 30, 2026 and December 31, 2025 consists of the following:

	September 30, 2026	December 31, 2025
$100,000 JP Morgan Chase Taxable Term Loan maturing on May 31, 2037. Principal is payable quarterly as is interest at an annual interest rate of 3.21%. The loan is collateralized by the Hospital's gross receipts.	$ 85,833	$ 88,333
$450,000 Series 2021 Taxable Bonds (Fixed Rate) maturing on July 1, 2051. Interest is payable each January 1 and July 1 at an annual interest rate of 2.78%. The bonds are collateralized by the Hospital's gross receipts.	450,000	450,000
$224,800 New Jersey Health Care Facilities Financing Authority ("NJHCFFA"), AHS Hospital Corporation, Series 2016 Refunding Bonds (Fixed Rate), in varying maturities through 2041 at annual interest rates varying between 3.00% and 5.00%. Interest is payable each January 1 and July 1 and principal is payable each July 1 commencing in 2017. As of September 30, 2026, the average interest rate on the bonds was 4.08%. The bonds are collateralized by the Hospital's gross receipts.	126,865	134,055
$425,000 Series 2015 Taxable Bonds (Fixed Rate) maturing on July 1, 2045. Interest is payable each January 1 and July 1 at an annual interest rate of 5.02%. The bonds are collateralized by the Hospital's gross receipts.	425,000	425,000
$50,000 Bank of America Taxable Term Loan maturing on December 1, 2028. Interest is payable monthly at an annual interest rate of 5.6%. The loan is collateralized by the Hospital's gross receipts under the Master Trust Indenture.	50,000	50,000
$177,110 NJHCFFA AHS Hospital Corporation, Series 2008A Revenue Bonds (Fixed Rate), in varying maturities through 2027 at annual interest rates varying between 4.88% and 5.00%. Interest is payable each January 1 and July 1 and principal is payable each July 1 commencing in 2009. As of September 30, 2026, the average interest rate on the bonds was 5.00%. The bonds are collateralized by the Hospital's gross receipts.	325	935
$177,110 NJHCFFA AHS Hospital Corporation, Series 2008B and 2008C Revenue Bonds (Variable Rate), in varying maturities commencing in 2027 through 2036 at annual interest rate of 3.08%. The interest on the bonds is payable monthly and principal will be payable each July 1. As of September 30, 2026, the average interest rate on the bonds was 2.40%. The bonds are collateralized by the Hospital's gross receipts.	177,110	177,110
Total long-term debt	$ 1,315,133	1,325,433
Unamortized bond premium	44,661	46,615
Deferred financing fees	(4,961)	(5,151)
	$ 1,354,833	1,366,897
Less: Current portion of long-term debt	8,390	13,485
Long-term debt, net of unamortized bond premium, debt issuance costs, and current portion	$ 1,346,443	$ 1,353,412

8. Commitments and Contingencies

The Hospital is subject to complaints, subpoenas, claims and litigation which have risen in the normal course of business. In addition, the Hospital is subject to reviews and investigation by various federal and state government agencies to assure compliance with applicable laws, some of which are subject to different interpretations. While the outcome of such matters cannot be determined based upon information available at this time, management, based on advice from legal counsel, believes that any loss which may arise from these actions will not have a material adverse effect on the financial position or results of operations of the Hospital.

9. Subsequent Events

The Hospital performed an evaluation of subsequent events through November 13, 2026, the date that these unaudited consolidated financial statements were issued.