

**MUNICIPAL SECONDARY MARKET DISCLOSURE
INFORMATION COVER SHEET**

This cover sheet should be sent with all submissions made to the Municipal Securities Rulemaking Board and Nationally Recognized Municipal Securities Information Repositories (NRMSIRS) pursuant to Securities and Exchange Commission rule 15c2-12 or any analogous state statute.

Issuers' and/or Other Obligated Person's Names: California Health Facilities Financing Authority
Adventist Health System/West (CHFFA)
California Public Finance Authority
Adventist Health System/West (CalPFA)
California Statewide Communities Development Authority
Adventist Health System/West (CSCDA)
Multnomah County Hospital Facilities Authority
California Infrastructure and Economic Development Bank
National Finance Authority

CUSIP Numbers (Adventist Health bonds):

CSCDA AHS/W 2007A	CHFFA AHS/W 2016 Series A	CSCDA AHS/W 2018 Series A	CalPFA AHS/W 2024 Series B
13080SYC2	13032UFZ6 13032UGF9	13080SVV3 13080VZ4	13057EHS6
CHFFA AHS/W 2009 Series B	13032UGA0 13032UGG7	13080SVW1 13080SWA8	CalPFA AHS/W 2024 Series C
13033LBC0	13032UGB8 13032UGH5	13080SWC4 13080SWB6	13057EHU1
CHFFA AHS/W 2013 Series A	13032UGC6 13032UGJ1	13080SWD2 13080SWG5	CHFFA AHS/W 2024 Series A
13033LR90 13033LS40	13032UGD4 13032UGK8	13080SWE0 13080SWH3	13032UT40 13032UU22
13033LS24 13033LS65	13032UGE2 13032UGL6	13080SWF7 13080SWJ9	13032UT57 13032UU30
13033LS32 13033LS57	AHS/W Taxable 2019	13080SVX9 13080SWK6	13032UT65 13032UU48
CSCDA AHS/W 2015 Series A	007944AF8 007944AG6	13080SVY7	13032UT73 13032UU55
13080SJC9 13080SJC0	Multnomah County, OR 2019	CHFFA AHS/W 2023 Series A	13032UT81 13032UU63
13080SJD7 13080SJD8	62551PCX3	13032UH50	13032UT99 13032UU71
13080SJE5 13080SJJ4	CHFFA AHS/W 2022 Series A	CHFFA AHS/W 2023 Series B	CHFFA AHS/W 2025 Series A
13080SJF2 13080SJK1	13032UG93	13032UJ33	13032U4V7 13032U4X3
13080SJL9 13080SJN5			13032U4W5
13080SJM7 13080SJP0			

Description of Material Event Notice/Financial Information (Check One):

1. _____ Principal and interest payment delinquencies
2. _____ Non-payment related defaults
3. _____ Unscheduled draws on debt service reserves reflecting financial difficulties
4. _____ Unscheduled draws on credit enhancements reflecting financial difficulties
5. _____ Substitution of credit or liquidity providers, or their failure to perform
6. _____ Adverse tax opinions or events affecting the tax-exempt status of the security
7. _____ Modifications to rights of security holders
8. _____ Bond calls
9. _____ Defeasances
10. _____ Release, substitution or sale of property securing repayment of the securities
11. _____ Rating changes
12. _____ Failure to provide annual financial information as required
13. _____ Other material event notice
14. X Financial information (**not** to be filed with the MSRB): Please check all appropriate boxes

CAFR ¹: a. ___ includes Annual Financial Information X does not include Annual Information

b. Audited? Yes ___ No X

Operating Data

Period Covered: 9 months ended September 30, 2025

I hereby represent that I am authorized by the Obligated Person to distribute this information publicly:

Signature: _____



Name: John Beaman Title: CFO
Employer: Adventist Health System/West
Address: ONE Adventist Health Way
City, State, and Zip Code: Roseville, CA 95661
Voice Telephone Number: 916.406.1372



CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

SEPTEMBER 30, 2025

ONE Adventist Health Way
Roseville, CA 95661

Consolidated Financial Statements (Unaudited)
and Supplementary Information

Adventist Health

September 30, 2025

Consolidated Financial Statements

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Adventist Health

Consolidated Balance Sheets
(In millions of dollars)

	September 30 2025 (Unaudited)	December 31 2024 (Audited)
Assets		
Cash and cash equivalents	\$ 239	\$ 165
Short-term investments	128	117
Patient accounts receivable	939	924
Receivables from third-party payors	1,182	908
Other current assets	297	369
Total current assets	2,785	2,483
Noncurrent investments	2,911	2,540
Other assets	958	971
Property and equipment, net	2,570	2,472
Total assets	\$ 9,224	\$ 8,466
Liabilities and net assets		
Accounts payable	\$ 395	\$ 441
Accrued compensation and related payables	442	414
Liabilities to third-party payors	389	311
Other current liabilities	116	120
Short-term financing	50	115
Current maturities of long-term debt	41	93
Total current liabilities	1,433	1,494
Long-term debt, net of current maturities	4,268	3,501
Other noncurrent liabilities	812	843
Total liabilities	6,513	5,838
Net assets without donor restrictions:		
Controlling	2,566	2,495
Noncontrolling	24	22
Net assets with donor restrictions	121	111
Total net assets	2,711	2,628
Total liabilities and net assets	\$ 9,224	\$ 8,466

Adventist Health

Consolidated Statements of Operations and Changes in Net Assets
(In millions of dollars)

	Nine months ended September 30	
	2025	2024
	(Unaudited)	(Audited)
Revenues and support:		
Patient service revenue	\$ 4,942	\$ 4,589
Premium revenue	167	159
Other revenue	414	309
Net assets released from restrictions for operations	21	18
Total revenues and support	<u>5,544</u>	<u>5,075</u>
Expenses:		
Employee compensation	2,636	2,460
Professional fees	691	682
Supplies	846	782
Purchased services and other	1,206	1,062
Interest	125	107
Depreciation and amortization	163	161
Total expenses	<u>5,667</u>	<u>5,245</u>
Loss from operations	(123)	(179)
Nonoperating income:		
Net realized and unrealized gains on investments	191	164
Loss on acquisitions and divestitures	-	(6)
Other nonoperating gains	2	-
Total nonoperating income	<u>193</u>	<u>158</u>
Excess (Deficit) of revenues over expenses	70	(21)
Less excess of revenues over expenses from noncontrolling interests	<u>(4)</u>	<u>(2)</u>
Excess (Deficit) of revenues over expenses from controlling interests	66	(23)

Adventist Health

Consolidated Statements of Operations and Changes in Net Assets - Continued
(In millions of dollars)

	Nine months ended September 30	
	2025	2024
	(Unaudited)	(Audited)
Net assets without donor restrictions:		
Controlling:		
Excess (Deficit) of revenues over expenses from controlling interests	\$ 66	\$ (23)
Net change in unrealized gains and losses on other-than-trading securities	1	2
Net assets released from restrictions for capital additions	4	3
Other	2	-
Increase (Decrease) in net assets before discontinued operations	73	(18)
Net loss from discontinued operations	(2)	-
Increase (Decrease) in net assets without donor restriction - controlling	71	(18)
Increase of revenues over expenses from noncontrolling interests	4	2
Distributions	(2)	(1)
Other	-	(1)
Increase in net assets without donor restrictions – noncontrolling	2	-
Net assets with donor restrictions:		
Restricted gifts and grants	33	26
Net realized and unrealized gains on investments	2	2
Net assets released from restrictions	(25)	(21)
Increase in net assets with donor restrictions	10	7
Increase (Decrease) in net assets	83	(11)
Net assets, beginning of year	2,628	2,724
Net assets, end of year	\$ 2,711	\$ 2,713

Adventist Health

Notes to Consolidated Financial Statements

(In millions of dollars)

Note A – Summary of Significant Accounting Policies

Reporting Entity and Principles of Consolidation: Adventist Health System/West (“Adventist Health”) is a California not-for-profit religious corporation that controls and operates hospitals and other healthcare facilities, and wellness promoting operations in the western United States and beyond (collectively, the “System”). Many of the hospitals now controlled and operated by Adventist Health were formerly operated by various conferences of the Seventh-day Adventist Church (the “Church”). The obligations and liabilities of Adventist Health and its hospitals and other healthcare facilities are neither obligations nor liabilities of the Church or any of its other affiliated organizations. Adventist Health maintains close ties to our heritage through connection to our Sponsor, the Church. Church leaders serve on the Adventist Health Membership and the Board of Directors (the “Board”) but the Church does not control or have ownership in the System.

Note B – Fair Value of Financial Instruments

The System accounts for certain assets at fair value. A fair value hierarchy for valuation inputs has been established to prioritize the valuation inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market. Each fair value measurement is reported in one of the three levels determined by the lowest level of input considered significant to the fair value measurement in its entirety. These levels are defined as follows:

Level 1: Quoted prices are available in active markets for identical assets as of the measurement date. Financial assets in this category include U.S. treasury securities, U.S. and foreign equities, and exchange-traded mutual funds.

Level 2: Pricing inputs are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets. Financial assets in this category generally include U.S. government agencies and municipal bonds, asset-backed securities, and U.S. corporate bonds.

Level 3: Pricing inputs are generally unobservable for the assets and include situations where there is little, if any, market activity for the investment. The System had no Level 3 investments at September 30, 2025.

Adventist Health

Notes to Consolidated Financial Statements - Continued

(In millions of dollars)

Note B – Fair Value of Financial Instruments (continued)

The following represents assets measured at fair value or at net asset value (NAV) as a practical expedient on a recurring basis at September 30, 2025:

	Quoted Prices in Active Markets for Identical Instruments (Level 1)	Significant Observable Inputs (Level 2)	Totals
Cash and cash equivalents	\$ 239	\$ –	\$ 239
Money market funds	435	–	435
Fixed income:			
U.S. government treasury obligations	262	–	262
U.S. corporation and agency debentures	–	42	42
U.S. agency mortgage-backed securities	–	14	14
U.S. corporate debt securities	–	387	387
Municipal bonds	–	7	7
Mutual funds	163	167	330
Equities:			
Equities	3	–	3
Mutual funds	857	–	857
Total financial assets stated at fair value	\$ 1,959	\$ 617	2,576
Commercial real estate			18
Investments measured at NAV			684
Total cash and investments			\$ 3,278

Adventist Health

Notes to Consolidated Financial Statements - Continued

(In millions of dollars)

Note B – Fair Value of Financial Instruments (continued)

As of September 30, 2025, the Level 2 instruments listed in the fair value hierarchy tables above use the following valuation techniques and inputs:

U.S. corporation and agency debentures: The fair value of investments in U.S. corporation and agency debentures is primarily determined using consensus pricing methods of observable market-based data. Significant observable inputs include quotes, spreads, and data points for yield curves.

U.S. agency mortgage-backed securities: The fair value of U.S. agency mortgage-backed securities is primarily determined using matrices. These matrices utilize observable market data of bonds with similar features, prepayment speeds, credit ratings, and discounted cash flows. Additionally, observed market movements, tranche cash flows, and benchmark yields are incorporated in the pricing models.

U.S. corporate debt securities: The fair value of investments in corporate debt securities is primarily determined using techniques that are consistent with the market approach. Significant observable inputs include reported trades, dealer quotes, security-specific characteristics, and multiple sources of spread data points in developing yield curves.

Municipal bonds: The fair value of municipal bonds is determined using a market approach. The inputs include yield benchmark curves, prepayment speeds, and observable market data, such as institutional bids and dealer quotes.

Certain of the investments are reported using a calculated NAV or its equivalent. These investments are not expected to be sold at amounts that are different from NAV. The following table and explanations identify attributes relating to the nature of the risk of such investments:

	September 30, 2025			
	NAV	Unfunded Commitments	Redemption Frequency (if currently Eligible)	Redemption Notice Period (if currently Eligible)
Commingled funds – equity securities	\$ 123	\$ –	Weekly/Monthly Daily/Weekly/	4-30 days
Hedge funds	292	–	Monthly/Quarterly	1-90 days
Private equity funds	269	183	None	None
Total	\$ 684	\$ 183		

Commingled funds – equity securities: This class includes investments in commingled funds that invest primarily in U.S. or foreign equity securities and attempt to match the returns of specific equity indices.

Note B – Fair Value of Financial Instruments (continued)

Adventist Health

Notes to Consolidated Financial Statements - Continued

(In millions of dollars)

Hedge funds: This class includes investments in hedge funds that expand the universe of potential investment approaches available by employing a variety of strategies and techniques within and across various asset classes. The primary objective for these funds is to balance returns while limiting volatility by allocating capital to external portfolio managers selected for expertise in one or more investment strategies, which may include, but are not limited to, equity long/short, event driven, relative value, and directional. The following summarizes the redemption criteria for the hedge fund portfolio as of June 30, 2025:

% of Hedge Funds	Redemption Criteria	Notice Period
18%	Redeemable weekly	30 days
17%	Redeemable monthly	60 days
28%	Redeemable quarterly	45–65 days
26%	Up to 12.5% redeemable quarterly on non-consecutive quarters	60 days
11%	Up to 12.5% redeemable quarterly	90 days

Private equity funds: These investments cannot be redeemed by the System; rather the System has committed an amount to invest in the private funds over the respective commitment periods. After the commitment period has ended, the nature of the investments in this category is that the distributions are received through the liquidation of the underlying assets.

Adventist Health

Notes to Consolidated Financial Statements - Continued

(In millions of dollars)

Note C – Investments and Assets Whose Use is Limited

The following is a summary of unrestricted investments and assets whose use is limited:

	September 30 2025	December 31 2024
Total unrestricted investments	\$ 2,548	\$ 2,400
Assets designated by the Board, primarily for property and equipment	26	28
Investments held by trustees for:		
Debt service	-	-
Future capital projects	429	195
Self-insurance programs	22	20
Charitable annuities and other	-	-
Total investments held by trustees	451	215
Donor-restricted investments for:		
Charitable trusts and life estate tenancies	4	5
Other purposes	10	9
Total donor-restricted investments	14	14
Total investments	3,039	2,657
Less short-term investments	128	117
Total noncurrent investments	\$ 2,911	\$ 2,540

Total investments and assets whose use is limited above excludes other investments of \$191 and \$170 at September 30, 2025 and December 31, 2024, respectively, which includes retirement plan assets, joint ventures, and partnerships and are included in other assets.

Liquidity Management: As part of its liquidity management, the System's strategy is to structure its financial assets to be available to satisfy general operating expenses, current liabilities, and other obligations as they come due. The System invests cash in excess of daily requirements in short-term investments and has a committed syndicated line of credit and a commercial paper program to help manage unanticipated liquidity needs

Adventist Health

Notes to Consolidated Financial Statements - Continued

(In millions of dollars)

Note C – Investments and Assets Whose Use is Limited (continued)

The System’s financial assets available for general operating expenses within one year are as follows:

	September 30, 2025
Cash and cash equivalents	\$ 239
Unrestricted investments	2,182
Patient accounts receivable	939
Receivables from third-party payors	1,182
Other current assets	91
	\$ 4,633

Note D – Investment Income

Net realized and unrealized investment income, including capital gains on unrestricted, board designated, and trustee-held funds, includes the following:

	Nine Months Ended September 30	
	2025	2024
Realized gains, net	\$ 17	\$ 62
Unrealized gains, net	174	102
	191	164
Interest and dividend income	56	47
	\$ 247	\$ 211

Interest and dividend income are included in other revenue. For purposes of performance evaluation, management considers interest and dividend earnings to be components of operating income. Realized and unrealized gains and losses are components of nonoperating income and are reported in investment income on the accompanying consolidated financial statements.

Changes in net unrealized gains and losses on other-than-trading debt securities, reported at fair value, are separately disclosed in the consolidated statements of operations and changes in net assets. Unrealized gains and losses associated with these securities relate principally to market changes in interest rates for similar types of securities. Since the System has the intent and ability to hold these securities for the foreseeable future, and it is more-likely-than-not that the System will not be required to sell the investments before their recovery, the declines are not reported as realized unless they are deemed to be other-than-temporary. In determining whether the losses are other-than-temporary, the System considers the length of time and extent to which the fair value has been less than cost or carrying value, the financial strength of the issuer, and the intent and ability of the System to retain the security for a period of time sufficient to allow for anticipated recovery or maturity.

Adventist Health

Notes to Consolidated Financial Statements - Continued

(In millions of dollars)

E – Patient Accounts Receivable

The System manages its receivables by regularly reviewing its patient accounts and contracts and by providing appropriate allowances for contractual reimbursement, policy discounts, charity and uncollectible amounts. These allowances are estimated based upon an evaluation of governmental reimbursements, negotiated contracts and historical payments.

Note F – Patient Service Revenue

Patient service revenue is recognized when services are provided and reported at the estimated net realizable amounts from patients, third-party payors, and others, including estimated retrospective settlements under reimbursement agreements with third-party payors. Retrospective settlements are accrued on an estimated basis in the period the related services are rendered.

Patient service revenue includes revenues from California Medicaid Quality Assurance Fee programs in the amount of \$550 for the nine months ending September 30, 2025. Related fees for the programs of \$205 for the nine months ending September 30, 2025, are recorded in purchased services and other expenses. These amounts are based on management's current estimate of the amounts that meet the criteria for revenue recognition as both probable and estimable.

Note G – Leases

The System leases certain locations, office space, land, and equipment. The System determines whether an arrangement contains a lease at inception. Assets held under finance leases are included in property and equipment. Operating leases are expensed on a straight-line basis over the life of the lease beginning on the commencement date. Any direct and indirect costs for the leases are expensed and are immaterial for the System.

At lease commencement, the System determines the lease term by assuming the exercise of the renewal option that are reasonably certain to be exercised. The exercise of lease renewal or termination options is at the System's sole discretion. The depreciable life of assets and leasehold improvements is limited by the expected lease terms, unless there is a transfer of title or purchase option reasonably certain of exercise.

Some lease agreements include rental payments based on annual percentage increases, and others include rental payments adjusted periodically for inflation. Certain leases require the System to pay real estate taxes, insurance, maintenance, and other operating expenses associated with the leased premises.

The System's lease agreements do not contain any material residual value guarantees or material restricted covenants.

The System uses the incremental borrowing rate based on the information available at the lease commencement date to determine the present value of lease payments. The System used the incremental borrowing rate at January 1, 2019 for operating leases that commenced prior to that date.

Adventist Health

Notes to Consolidated Financial Statements - Continued

(In millions of dollars)

Note G – Leases (continued)

The System elected the package of practical expedients within the lease transitional guidance, which allow it to carry forward its historical assessments of 1) whether contracts are or contain leases, 2) lease classification and 3) initial direct costs, where applicable. The System also elected the practical expedient to not separate lease components from non-lease components for all existing lease classes. The System implemented a policy of not recording leases on its balance sheets when the leases have a term of 12 months or less. The System did not elect the practical expedient allowing the use-of-hindsight, which would require the System to reassess the lease term of its leases based on all facts and circumstances through the effective date.

		Nine Months Ended September 30	
Classification		2025	2024
Right-of-use assets			
Operating	Other assets	\$ 355	\$ 230
Finance	Other assets	17	9
		<u>\$ 372</u>	<u>\$ 239</u>
Current lease liabilities			
Operating	Other current liabilities	\$ 28	\$ 29
Finance	Other current liabilities	2	3
Noncurrent lease liabilities			
Operating	Other noncurrent liabilities	194	208
Finance	Other noncurrent liabilities	3	6
Total lease liabilities		<u>\$ 227</u>	<u>\$ 246</u>

		Nine Months Ended September 30	
Classification		2025	2024
Operating lease expense			
Operating lease cost	Purchased services and other	\$ 32	\$ 32
Finance lease cost:			
Amortization of leased assets	Depreciation and amortization	\$ 2	\$ 2
Interest on lease liabilities	Interest	\$ –	\$ –

		Nine Months Ended September 30	
Cash paid for amounts not included in the measurement of lease liabilities		2025	2024
Operating cash outflows for operating leases		\$ 32	\$ 31
Finance cash outflows for finance leases		\$ 2	\$ –

Adventist Health

Notes to Consolidated Financial Statements - Continued

(In millions of dollars)

Right-of-use assets obtained in exchange for lease obligations	Nine Months Ended September 30	
	<u>2025</u>	<u>2024</u>
Operating	\$ 6	\$ 50
Finance	\$ –	\$ –

Operating lease payments include payments relating to options to extend lease terms that are reasonably certain of being exercised. Excluded are any legally binding lease payments for signed leases not yet commenced, which are immaterial for the System. Minimum lease payments for operating and finance leases with initial terms in excess of one year are as follows for the period ended September 30, 2025:

Maturity of Lease Liabilities	Operating Leases	Finance Leases
2025	\$ 10	\$ 1
2026	37	2
2027	34	1
2028	32	1
2029	27	–
Thereafter	147	2
Total lease payments	<u>287</u>	<u>7</u>
Less imputed interest	(65)	(1)
	<u>\$ 223</u>	<u>\$ 6</u>

Lease Term and Discount Rate	September 30, 2025
Weighted average operating remaining lease term (years)	10.03
Weighted average finance remaining lease term (years)	6.88
Weighted average operating lease discount rate	4.85%
Weighted average finance lease discount rate	4.82%

Note H – FEMA

The System has submitted requests for public assistance to the Federal Emergency Management Agency (“FEMA”) for the cost of various expenses that resulted from the COVID-19 pandemic. For the quarter and year ended September 30, 2025, the System received approval for grant requests totaling \$3 and \$99, respectively, which are included in other revenue.

Adventist Health System/West
Municipal Secondary Market Disclosure
September 30, 2025
(In millions of dollars)

The following information is provided pursuant to Section 3(b) of the Continuing Disclosure Certificate executed by the System in connection with the issuance of:

California Health Facilities Financing Authority Revenue Bonds, 2009 Series B
California Health Facilities Financing Authority Revenue Bonds, 2013 Series A

Section 3(b)(2) Long-term debt disclosure:

On September 30, 2025, the long-term debt of the Members of the Obligated Group (including current maturities) totaled \$4,308. Of that amount, \$473 was variable interest rate debt, with the remaining \$3,835 being fixed interest rate debt.

Section 3(b)(3) Statement regarding accounts receivable liens:

During the nine months ended September 30, 2025, no Member of the Obligated Group has granted a Lien on accounts receivable nor sold any accounts receivable as permitted under the Master Indenture.



Management Discussion and Analysis of Financial Condition and Results of Operations

(Dollars in millions)

Quarter End: September 30, 2025

Adventist Health Overview

Adventist Health System/West, doing business as Adventist Health, is a care delivery company with an emphasis on well-being and disease prevention rooted in the Adventist Healthcare legacy and focused on caring for mind, body, and spirit. Adventist Health is dedicated to the integration of hospitals, physicians, and other providers in a manner that best serves and cooperates with its communities, both in terms of commitment to quality and a demonstrated ability to provide cost-effective care in an environment increasingly driven by competitive market forces.

Adventist Health is a faith-based, nonprofit organization. The health system serves more than 100 communities in California, Hawai'i, Oregon, and Washington. With a workforce of more than 38,000 associates, including physicians, medical staff, and volunteers, this transformational organization realizes its mission by providing health, wholeness, and hope. This mission is led by management teams organized around geographies to ensure that the unique needs of these communities are met and delivered in a way that represents the diversity across our footprint, while anchored in our mission and supported by centralized administrative services and expertise. It operates six networks of care, two service areas and one market systemwide: Oregon Network, Greater Sacramento Network, North Coast Network, Central California Network, Central Coast Network, and Southern California Network, with Glendale-Simi Valley Service Area and White Memorial-Montebello Service Area, and Adventist Health Castle market. Teams of clinical staff provide coordinated care across these networks and service areas utilizing advanced medical technology, innovative models of health transformation, and compassionate care. Adventist Health owns or manages 440 sites of care, including 27 hospitals, clinics (physician clinics, hospital-based clinics, and the largest rural health clinic network in California), home care and hospice agencies in both rural and urban communities.

Adventist Health's vision is to provide exceptional care at every stage of life, inspiring community transformation through health and well-being for all. Through our five operating pillars, People, Quality, Growth, Experience, and Finance, we have developed a mission-aligned strategy that shapes our present and future trajectory.

Strategy and Mission

Adventist Health has laid out an aspirational plan based on the calling of our mission of living God's love by inspiring health, wholeness, and hope. We are focused on the core delivery needs of the communities we serve. This includes deepening our capabilities to be an integrated care delivery provider.

Embedded within the Adventist Health strategy are several key themes:

- **Consumer Oriented** — becoming a consumer-oriented company using consumer insights and segmentation to develop products and services to better serve individuals on their personal well-being path.
- **Cost Transformation** — transforming costs and pricing to improve the affordability of health services for individuals, employers, communities, and payers.
- **Payer Integration** — integrating with payers to manage the health of populations, lower costs, and improve market share.
- **Philanthropic Development** — elevating and uniting philanthropic efforts in support of community care services and large-scale well-being initiatives.
- **People Focused** — focusing on our people to raise engagement and the overall well-being of all our associates.
- **Quality Care** — providing access and quality with an intentional focus on health equity and empowering mission-aligned clinicians to provide quality care in every setting.

Our five operating pillars are core to our reviews and reports. They have proven to sharpen our focus systemwide. They are essential to our networks in strengthening our hospitals, ambulatory centers, clinics, home health, and post-acute

services. The networks and service areas continue to allow for increased focus on care integration, efficient utilization of valuable resources, and greater relevance in the lives of our patients. The unique community voices are amplified through the collaboration and shared responsibility that the network, service area and system structure provide.

Operating Pillars

People — Adventist Health engages robust and innovative talent to shape a thriving culture.

Quality — Adventist Health empowers teams to deliver unparalleled care for all.

Growth — Adventist Health expands networks of care to create community relevance and well-being.

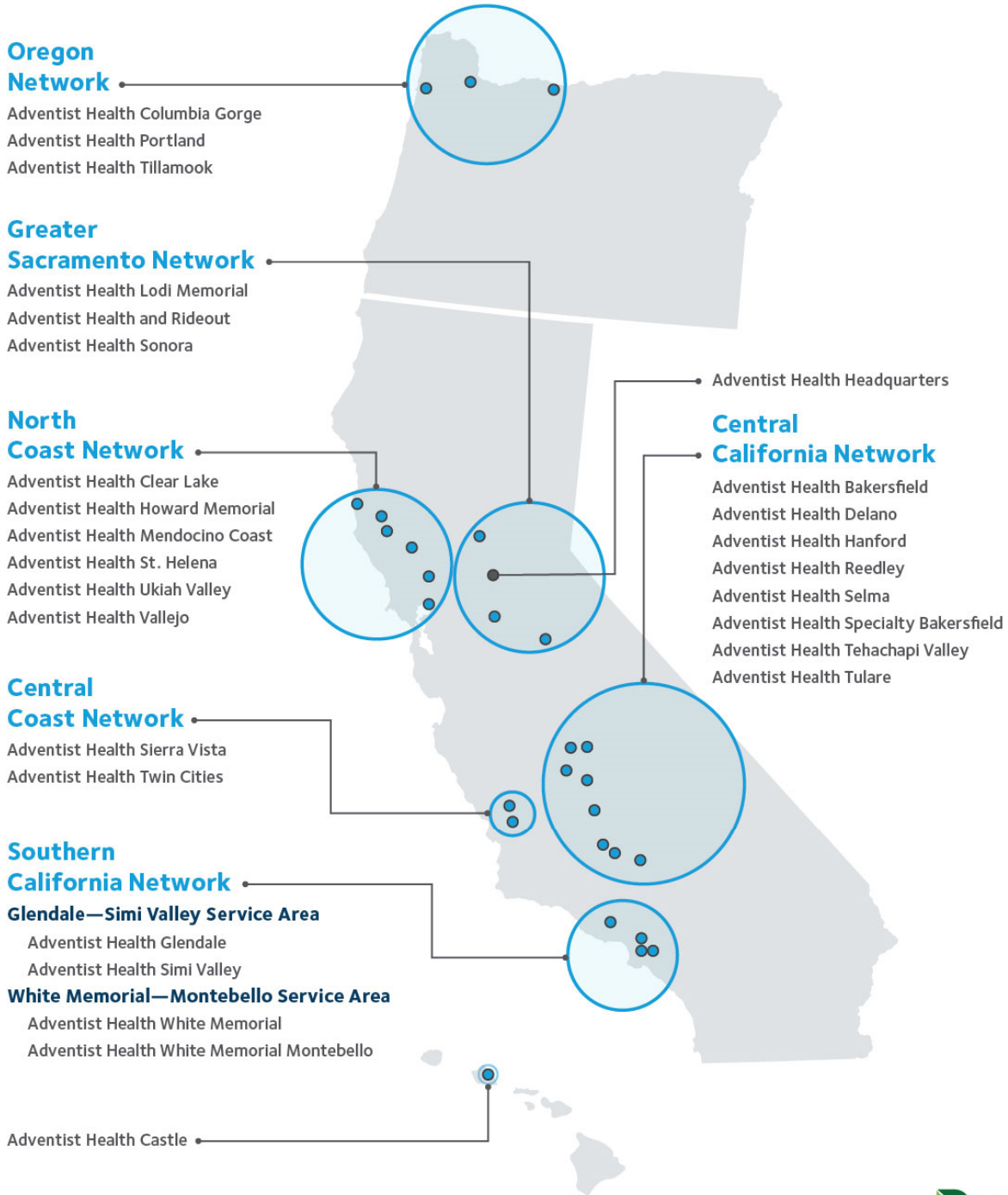
Experience — Adventist Health creates exceptional customer experiences and tells their stories.

Finance — Adventist Health embeds disciplined stewardship that drives operational excellence.



Organization Structure

Adventist Health | Networks and Service Areas



Affiliation and Other Activities

Sierra Vista Regional Medical Center and Twin Cities Community Hospital (dba Adventist Health Sierra Vista and Adventist Health Twin Cities)

In February 2024, Adventist Health signed definitive agreements to purchase from Tenet Healthcare, Sierra Vista Regional Medical Center and Twin Cities Community Hospital located on the Central California Coast. This includes the related physician practices and imaging centers. The acquisition will enable Adventist Health to expand its mission of providing access to high-quality care on the central coast and to broaden Adventist Health's geographic diversification. The transaction closed on March 28, 2024, and added 284 beds to the system.

We have recorded the fair value of the assets and liabilities assumed as part of the acquisition. The valuations of the acquired property and equipment were also completed and adjusted. The excess of the purchase price over these fair values has been recorded as goodwill. The following table summarizes the impact to the System's net revenue, EBIDA and EBIDA margin:

Twelve Months Ended September 30, 2025

	Adventist Health	Acquisitions	Combined
Total operating revenue	\$7,024	\$351	\$7,375
EBIDA	\$216	\$10	\$226
EBIDA as a percentage of total operating revenue	3.1%	2.9%	3.1%



Key Operating Metrics: Volume Trends

Adventist Health's focus on providing care at the right time and the right place continues to see improvement across our integrated networks of care has created consistent volume growth across discharges, surgical volume, ER visits and clinic visits. Total volumes were fueled by an increase of 4.5% for emergency department visits and 2.2% in total clinic visits during the nine months ended September 30, 2025. The System's inpatient discharges increased by 1.5% and observation patients increased by 1.2%. On combined inpatient and observation stays, total discharges increased by 1.4% from the same period in the previous year. However, with an environment of uncertainty with the economy we saw total surgeries decrease by 4.2% from the same period in the previous year with inpatient surgeries decreasing by 4.7% and outpatient surgeries decreasing by 4.1%

UTILIZATION STATISTICS

Quarter Ended September 30,	2025	2024	'25 Same Store	'24 Same Store
Discharges	107,530	105,968	101,237	98,249
Patient days	533,431	543,006	504,108	503,156
Observation stays	20,190	19,959	19,294	18,031
Outpatient procedures	4,023,206	3,872,061	3,916,296	3,654,401
Emergency department visits	714,389	683,596	668,141	642,500
Inpatient surgeries	17,599	18,471	15,950	16,280
Outpatient surgeries	49,100	51,175	46,651	46,728
Capitated lives	226,285	234,033	226,285	234,033
Average length of stay (in days)	5.0	5.1	5.0	5.1
Outpatient revenues as % of gross patient revenue	54.6%	53.4%	55.2%	53.5%



Key Operating Metrics: Total Operating Revenue and Income from Operations

Adventist Health meets 3rd quarter targets as preparing for a new environment starts to activate. Throughout 2025, leadership across the organization implemented plans to improve run rate and some of the accomplishments are as follows:

- Management's efforts on focusing the team to maximize revenue while managing cost has improved EBIDA margin from 1.8% to 3.0% in 3rd Qtr YTD 2025.
- Maximizing and managing portfolio by canceling its Dameron Managed Contract as of 12/31/24.
- Service line integration and optimization across our networks and diversifying our revenue base, including a focus on retail and specialty pharmacy which has grown by 70% from prior year.
- Net Patient Revenue per CMI Adjusted Discharge exceeded expectations and increasing 2.0% over prior year as we realize rate improvements and solidify our revenue cycle operations.
- Labor Cost improving compared to Total Operating Revenue from 61% to 59%
- **Adventist Health announces strategies to reduce overhead cost.** Initiated in August 2025 the outsourcing of components of some core business services. Adventist Health has chosen partners to support services within its Information Technology, Finance, Human Resources, Talent Acquisition, Supply Chain, and Accounts Payable functions to expert vendor partners. This initiative will improve efficiency, enabling scalable growth and reducing costs, while allowing Adventist Health to retain full management responsibility. The organization is also implementing a Return to Office model for its corporate workforce, beginning January 2026. Employees at the 27-hospital system's 400-plus sites of care will remain in person at their community-based locations.

Total operating revenue as of September 2025 grew 9.2% compared to September 2024. The focus on rate improvements yielded \$98 increasing Net Patient Revenue in total year over year by \$259. to \$4,942. We continue to see positive momentum with the movement of revenue cycle operations to inhouse resulting in days in accounts receivable of 57 and cash collections of \$3,930, or 101% of goal, as of September 2025. The movement of revenue cycle to in house has improved transparency and teamwork between finance, managed care, and revenue cycle which has shortened the time for issue identification and operating improvement. Results of this collaboration include the identification of managed governmental and commercial payers not paying according to contract and escalating for resolution. Based on these and other actions, net patient revenue per CMI adjusted discharge was 2.0% higher than prior year. Operating revenue as of September 2025 includes \$99 from Federal Emergency Management Agency (FEMA) compared to a total of \$33 through September 2024.

Management's action to stabilize the workforce and bend the labor cost curve is taking hold but fighting head winds of wage inflation including minimum wage. YTD labor costs improved from a 7.6% growth rate in 2nd quarter to 1.8% September 2025 YTD over 2024. Focus on Premium labor has driven contract labor down 26.5%. In July 2024, California's wage increase went into law, resulting in \$51 increase in costs annually. We continue to see inflationary pressure on professional fees, including costs for hospital-based physicians and clinic-based physicians, which increased 7.2% over 2024.

System focus and bi-weekly calls with system officers have helped improve the actionable information available for our leaders to use, enhancing the spread of internal best practices and ensuring system services are supporting our operational teams in achieving their goals.

Adventist Health continues to see increased supply cost from surgical procedures and growth in retail pharmacies. The related service line growth has improved EBIDA. The intensity of our cardiac and surgical patients caused a \$9 increase in implants and resulted in September YTD surgical supply cost per case increasing 13%. Volume-adjusted pharmaceutical supply cost increased 9.5% over YTD September 2024 offset by a 25% increase in retail pharmacy revenue.

TOTAL OPERATING REVENUE AND INCOME FROM OPERATIONS

Quarter Ended September 30,	2025	2024
Total operating revenue	\$5,544	\$5,075
Total EBIDA expenses	\$5,379	\$4,986
EBIDA	\$165	\$89
EBIDA as a percentage of total operating revenue	3.0%	1.8%
Depreciation and interest expense	\$288	\$268
Loss from operations	(\$123)	(\$179)
Loss from operations as a percentage of total operating revenue	(2.2%)	(3.5%)

Key Operating Metrics: Total Nonoperating Income

Investment income increased for the nine months ended September 30, 2025, as compared to the previous year. Realized gains of \$17 and \$62 are included in investment income at September 30, 2025 and September 30, 2024, respectively. Management maintains a long-term asset allocation strategy.

NONOPERATING INCOME

Quarter Ended September 30,	2025	2024
Investment income	\$191	\$164
Other nonoperating gains	\$2	\$0
Nonoperating income before gain on acquisition and divestitures	\$193	\$164
Loss on acquisitions and divestitures	\$0	(\$6)
Nonoperating income	\$193	\$158



Balance Sheet Ratios

Cash and unrestricted investments increased by \$220 for the nine months ended September 30, 2025. Days cash on hand increased to 139.5 at September 30, 2025 from 137.5 at December 31, 2024. Long-term debt to capitalization increased to 62.2% on September 30, 2025, from 58.2% at December 31, 2024. Adventist Health is able to maintain lower cash-to-debt and long-term debt-to-capitalization ratios as the system has no pension liability and operates under a defined contribution plan.

BALANCE SHEET RATIOS

Period Ended	Sep 30, 2025	Dec 31, 2024
Total cash and unrestricted investments	\$2,813	\$2,593
Days cash on hand	139.5	137.5
Cash-to-debt	65.9%	74.1%
Long-term debt-to-capitalization	62.2%	58.2%
Capital expenditures as a percentage of depreciation expense	122.7%	120.4%

Opportunities

Adventist Health continues to implement its long-term strategy of creating essentiality in the communities we serve. Focusing on improving and protecting its total operating revenue through targeted service line growth and rationalization. In addition, we continue to optimize our capabilities to improve revenue realization through standard procedures, increased front-end focus, and payor relationships, including enhanced advocacy at the state and federal levels. An equal focus is placed on margin improvement through reduced operating expenses. An example of capturing this opportunity is reduced premium spend in labor, leveraging our reduction in RN turnover which is at a leading practice of 13.7% in 2024. Additional cost strategies include implementing top quartile labor standards across the company and continued realization of supply chain and purchased service reductions from our move to Vizient as our GPO partner. Finally, of note, the Energy-as-a-Service strategy will bend the cost inflation curve on utility spend and allow for additional capital to harden, increase reliability and reduce carbon emissions across Adventist Health's energy infrastructure.

Forward-Looking Statements

Certain discussions in this document may include "forward-looking statements" which involve known and unknown risks and uncertainties inherent in the operation of healthcare facilities. Actual actions or results may differ materially from those presented herein, and past or current trends may not continue. Specific factors that might cause such differences include competition from other healthcare facilities, federal and state regulation of healthcare providers, staffing shortages, organized labor initiatives, and reimbursement policies of the state and federal governments and managed care organizations. In particular, statements that are preceded by, followed by or include the word "will," "believes," "estimates," "expects," "anticipates," "projects," "continue," "intends," "plans," "scheduled," or other similar expressions are or may constitute forward-looking statements.

Adventist Health Hospitals

OBLIGATED GROUP MEMBERS

Adventist Health System Office
 Adventist Health Bakersfield
 Adventist Health Specialty Bakersfield
 Adventist Health Castle
 Adventist Health Clear Lake
 Adventist Health Delano
 Adventist Health Feather River
 Adventist Health Glendale
 Adventist Health Hanford
 Adventist Health Selma
 Adventist Health Howard Memorial
 Adventist Health Lodi Memorial
 Adventist Health Portland
 Adventist Health Reedley
 Adventist Health Sierra Vista
 Adventist Health Simi Valley
 Adventist Health Sonora
 Adventist Health Tehachapi Valley
 Adventist Health Tillamook
 Adventist Health Twin Cities
 Adventist Health Ukiah Valley
 Adventist Health White Memorial
 Adventist Health White Memorial Montebello

NON-MEMBER ENTITIES

Adventist Health Care Network
 Adventist Health Columbia Gorge
 Adventist Health Plan, Inc.
 Adventist Health Physicians Network
 Adventist Health Mendocino Coast
 Adventist Health and Rideout
 United Com-Serve
 Adventist Health St. Helena
 St. Helena Center for Behavioral Health
 Adventist Health Tulare
 Western Health Resources

Entities in italics are consolidated with their respective parent entities

