

2023
ANNUAL
REPORT

COMBINED FINANCIAL STATEMENTS



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COMBINED STATEMENTS OF FINANCIAL POSITION

(In Thousands) For the periods ended June 30, 2023 and 2022

ASSETS	2023	2022
Current Assets		
Cash and cash equivalents	158,195	212,342
Patient accounts receivable, net	470,293	410,109
Other accounts receivable	71,883	62,397
Other current assets	<u>185,256</u>	<u>172,051</u>
TOTAL CURRENT ASSETS	<u>885,627</u>	<u>856,899</u>
Noncurrent Assets		
Assets whose use is limited or restricted	1,834,727	1,896,141
Property and equipment, net	1,856,373	1,729,572
Right of use assets - leases	199,683	206,840
Partnership investments	21,673	18,599
Pension	69,782	0
Goodwill and intangible assets, net	187,411	184,828
Other noncurrent assets	<u>91,865</u>	<u>48,178</u>
TOTAL NONCURRENT ASSETS	<u>4,261,514</u>	<u>4,084,158</u>
Total Assets	<u>5,147,141</u>	<u>4,941,057</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Pension	18,027	17,703
Current portion of long-term debt	26,408	23,069
Current lease obligations	37,303	34,879
Other current liabilities	<u>419,149</u>	<u>542,792</u>
TOTAL CURRENT LIABILITIES	<u>500,887</u>	<u>618,443</u>
Noncurrent liabilities		
Long-term debt, net of current portion	1,352,717	1,212,771
Long-term lease obligations	321,602	300,440
Deferred compensation and other liabilities	161,769	146,243
Pension	1,654	19,956
Professional liability	154,132	124,634
Derivative instruments	2,239	0
Other liabilities	<u>21,797</u>	<u>19,087</u>
TOTAL NONCURRENT LIABILITIES	<u>2,015,910</u>	<u>1,823,131</u>
Total Liabilities	<u>2,516,797</u>	<u>2,441,574</u>
NET ASSETS		
LVHN and subsidiaries	2,227,728	2,093,732
Noncontrolling interests in subsidiaries	<u>43,901</u>	<u>43,268</u>
Total net assets without donor restrictions	<u>2,271,629</u>	<u>2,137,000</u>
With donor restrictions	358,715	362,483
Total Net Assets	<u>2,630,344</u>	<u>2,499,483</u>
Total Liabilities and Net Assets	<u>5,147,141</u>	<u>4,941,057</u>

COMBINED STATEMENTS OF OPERATIONS

(In Thousands) For the periods ended June 30, 2023 and 2022

PATIENT SERVICES AND SUPPORTING OPERATIONS

Revenues

Net patient service revenue (net of contractual allowances and discounts)	3,916,727	3,686,080
Other supporting operations revenue	186,928	129,639
Net assets released from restrictions used for operations	<u>25,425</u>	<u>17,977</u>

TOTAL REVENUES **4,129,080** **3,833,696**

Expenses

Salaries and wages	1,907,608	1,749,450
Benefits	253,062	233,769
Supplies	820,490	741,526
Purchased services	588,986	523,222
Other	297,791	268,365
Depreciation and amortization	176,396	182,256
Interest expense	54,701	45,302
Bad Debt	<u>10,364</u>	<u>7,225</u>

TOTAL EXPENSES BEFORE INTEGRATION AND OTHER NON-RECURRING COSTS **4,109,398** **3,750,915**

Operating income before integration and other non-recurring costs 19,682 82,781

Integration and other non-recurring costs 9,302 4,309

Operating income **10,380** **78,472**

OTHER NONOPERATING GAINS AND LOSSES

Realized and unrealized investment gains (losses)	80,049	(109,647)
Change in net unrealized (losses) on swaps	(2,239)	0
Other nonoperating gains	5,245	24,998
Loss of refinancing of debt	<u>(74)</u>	<u>0</u>
Other nonoperating gains and losses, net	<u>82,981</u>	<u>(84,649)</u>

Excess (deficit) of revenues and gains over expenses and losses before income tax **93,361** **(6,177)**

Provision for income taxes 1,443 (1,522)

Excess (deficit) of revenues and gains over expenses and losses before noncontrolling interests **94,804** **(7,699)**

Noncontrolling interests (20,934) (15,930)

Excess (deficit) of revenues and gains over expenses and losses attributed to LVHN and subsidiaries **73,870** **(23,629)**

OTHER CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets released from restrictions – capital acquisitions	11,514	2,343
Contribution of long-lived assets	1,356	124
Adjustment to funded status of pension plans	54,446	(20,250)
Change in noncontrolling interests	633	75
Change in net unrealized (losses) gains on derivatives	(276)	1,430
Change in net unrealized (losses) on investments	<u>(6,914)</u>	<u>(34,217)</u>

Increase (decrease) in net assets without donor restrictions **134,629** **(74,124)**

UNDERSTANDING THIS REPORT

The Combined Statements of Financial Position report our assets, liabilities and net assets. The Combined Statements of Operations report our revenues and expenses. The amount of revenues minus the amount of expenses creates our operating income.